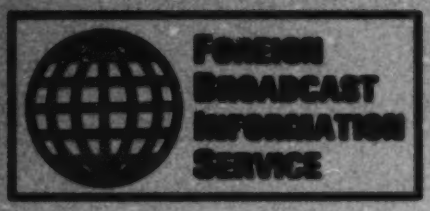

Daily Report

East Europe

FBIS-EEU-96-001
Tuesday
2 January 1996

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Daily Report
East Europe

FBIS-EEU-96-001 *2 January 1996*

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Deputy 'Alarmed' by BSP Elite's 'Alienation'

AU0201125796 Sofia NOVINI PLYUS in Bulgarian 23-29 Dec 95 No 38, p 11

[Interview with BSP National Assembly Deputy Nora Ananieva by Valentin Georgiev; place and date not given: "Political Center Remains Decentralized"]

[FBIS Translated Excerpt] [Passage omitted] [Georgiev] Some believe that the BSP [Bulgarian Socialist Party] victory creates conditions for the party "to lay its hands" on key enterprises as mass privatization is launched. What is your comment on this?

[Ananieva] I hope you do not regard these fears seriously. They come from a political direction that is easy to determine. In the view of such "observers," the BSP cannot practice good government. According to them, if we do not work to speed up the changeover of ownership and to develop a market economy, we are a retrograde party that lives off the fat of state property. Conversely, if we take real steps to denationalize and accelerate the launch of mass privatization, we want the party "to lay its hands" on key enterprises. As the folk saying goes: "Scratching an itch only makes it worse."

The nub of the question is that the Democratic Left government will give millions of people a chance to participate in the economy's development. Naturally, every chance also involves a risk, but has not the right filled our ears with its repeated claims that only the owner can be truly free? If mass privatization creates the maximum possible number of economically free citizens, is it logical to say that the ruling party "is laying its hands" on property? [passage omitted]

[Georgiev] Criticism is increasing against the BSP's information policy, especially against the parliamentary media commission, the Press Centers of the BSP headquarters and the Council of Ministers, and the Commission on Media Relations of the BSP Supreme Council. In your opinion, what changes are necessary?

[Ananieva] Information policy is our government's Achilles' heel, and I have said this on various occasions. I have tried to find an explanation for this phenomenon. Is it due to a failure to appraise the situation properly, to outmoded ideas, or to placing one's trust in a narrow circle? Is it due to the illusion that society is sated with information? Or to overconfidence in the fact that since we are working for the people's benefit, one fine day they will finally realize this?

We need to make a new start, by analyzing the situation in the information sphere, by bringing in eminent Bulgarian and foreign experts, by adopting a new view on information policy, according to which information should anticipate and prepare public opinion, instead of "unmasking" the opposition's distortions. This, of course, is easier said than done. It is difficult because information policy is an art, not a science. It is able to make something out of nothing. Do you remember the huge campaign about the "Bulgarian trail" in the attempted assassination of the pope? In our administration one can cite diametrically opposite examples: An inept information policy can destroy the value of good, beneficial actions taken by the government—that is, we can easily present a real achievement to the public as nothing. [passage omitted]

[Georgiev] Do you think that changes are needed in the Democratic Left coalition? Will it seek to expand by attracting new partners for the forthcoming presidential elections, and if so—according to what principles?

[Ananieva] Expansion is necessary, not so much to ensure victory in the election and to win new votes, as in the name of a more extensive left-of-center coalition that conforms to the needs and feelings that dominant in society.

Unfortunately, the Bulgarian political "center" continues to be highly decentralized. Parties whose platforms and social membership make them natural candidates for joining a left-of-center coalition have been pushed in the opposite direction by shortsighted, self-centered leaderships. On the other hand, the "party" of the nonvoters that dominated in the last elections has no time left to reorganize itself and consolidate. This "party" is extremely variegated in its membership and tendencies. In my view, the best way to expand our coalition is first to make a serious analysis of the reasons why the left alternative lost votes in comparison with the last parliamentary elections. If I were to state my view even more strongly, I think that we need not so much to increase the number of party abbreviations as to expand the influence of the Democratic Left even with its existing membership, as much of our potential remains unused. [passage omitted]

[Georgiev] What really arouses your hatred and makes you mad? What do you find most alarming, and are you still susceptible to illusions?

[Ananieva] I hate a haughty attitude toward people, and groundless self-confidence and know-it-all attitudes enrage me. I am alarmed by the signs of atrophying dialogue and by manifestations of alienation in the party's elite circles.... The opposition does not worry me at all, I am only concerned by the relations within the BSP. I still am unready to believe that my expectation of solidarity and comradeship was a baseless delusion, but now we are under much greater pressure as the result of people's expectations and the responsibility that we

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bear. Solidarity will save us, while alienation will be disastrous. [passage omitted]

Videnov Meets With Dismissed Journalists

AU2912181295 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 29 Dec 95

[FBIS Translated Text] The dismissal of a handful of journalists by Bulgarian National Radio is an act that is within the powers of the director general of National Radio, but such means are hardly likely to resolve the problems that have come to a head—this was the viewpoint of Prime Minister Zhan Videnov on this specific issue, which was raised by representatives of the Free Speech Forum at their meeting with him today.

Zhan Videnov received our journalist colleagues at their request to discuss the problems of the electronic mass media. The prime minister regarded as well founded the alarm felt by our colleagues of the Free Speech Forum regarding the absence of legislation on the media, which lies at the root of the troubles in the media. He added that even the poor control exercised over the national media under the provisions of the interim statute of the media had been abolished by the Constitutional Court.

Zhan Videnov assumed a commitment to assist as head of government and party leader in promoting a broad public debate on drafting media legislation and in ensuring that the Bulgarian National Assembly speedily ratifies the Council of Europe's media documents. The prime minister believed that a serious professional conflict obviously exists in the Bulgarian National Radio, but declined to support either side, especially at the moment.

UPEE Official on Needs of Private Entrepreneurs

96P20184A Sofia BULGARIAN BUSINESS NEWS in English 4-10 Dec 95 Vol 5 No 49, p 16

[Unattributed article: "Private Bulgarian Companies To Participate in the Post-War Recovery of Former Yugoslavia: UPEE's Secretary General Vladimir Pavlov Addressed the 50th Session of the UN General Assembly"]

[FBIS Transcribed Text] Mr Vladimir Pavlov, Secretary General of the Union for Private Economic Enterprise (UPEE), took part in the proceedings of the Second Economic Committee of the UN General Assembly's 50th session. Mr Pavlov made a presentation on the state and potential of small- and medium-scale enterprises (SMEs) in Bulgaria and their role for a sustainable economic development. He focused on the lack of sufficient foreign investment in the country.

Mr Pavlov expressed the readiness of Bulgarian private companies to actively participate in the reconstruction of former Yugoslavia. The UPEE already has a list of companies that want to take part in that process. The participation of a nongovernmental organisation such as UPEE in UN proceedings is a first attempt to present Bulgaria as a developed democracy where state and nongovernmental organisations support small business equally, Mr Pavlov noted.

In Bulgaria, private companies, most of them small- and medium-scale, play an increasingly active role in the economy. This growth is the result of the entrepreneurial drive unleashed by market forces. Their share in the GNP is increasing. As one of the most dynamic institutions in the country, the UPEE proves to be also one of the most stable independent forces of economic recovery and growth in Bulgaria.

After 5 years of decline in Bulgaria's economic performance some signs of real have been registered this year. The private sector is very dynamic, but still deeply dependent on the changes in the political environment. The private sector represented 10 per cent of the GNP in 1991, but by now accounts for 30 per cent (12 per cent from services, 9 per cent from agriculture and 6 per cent from industry) and nearly three quarters of the economic growth and new jobs in Bulgaria. The share of the private sector is 86 per cent in agriculture, 65 per cent in trade, 53 per cent in services, and 35 per cent in transportation.

The rapidly expanding share of the private sector and the burst of emerging SMEs (23,000 in 1989, 360,000 in 1994; however, only about 100,000 are economically active, 70 per cent of those in trade) have been remarkable features of the transition process in Bulgaria to date.

The process requires major structural adjustments. Sustained macroeconomic stabilization will depend mainly on the effective restructuring of the enterprise sector. That is why privatisation must be supported by mechanisms to improve management, to make credit allocation more efficient, to diversify firms' financial sources, to develop the labor market and to enforce demonopolisation and more open market access.

The UPEE urges that in the process of the beginning of mass privatisation in Bulgaria "every citizen should make his or her own decision whether to be an entrepreneur, or a shareholder, or to sell his or her own vouchers," Mr Pavlov concluded.

The private sector in Bulgaria, in particular small private business, still faces many serious problems, and most of all financing difficulties. Loans on preferential terms

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are inaccessible. Tax concessions for the private sector are insufficient. The UPEE agrees with the conclusion of some experts that "if measures for financial aid for private enterprises are not taken the return to a state-dominated economy will be very likely," Mr Pavlov noted.

Mr Pavlov said that from the point of view of the private sector the authorities have to:

—Provide basic order, strengthen the institutions, and fight crime;

—Support entrepreneurial initiative, further structural changes in the economy, stimulate private investments, reduce support for old industries with no future, and direct a greater share of investments and garauntees to private investors;

—Find ways to ease the access to loans and premises for small- and medium-scale businesses and strengthen their protection;

—Work to fully integrate Bulgaria into the European and world institutions and community.

Trapped by a network of very big internal and foreign debts and with a critical shortage of available domestic capital, Bulgaria is looking to the West for investments. However, the dfifferent financial and legal structures in Bulgaria still present a unique challenge to the potential investor. The UPEE would like to see this investment climate made more stable and favourable to domestic and foreign private investors. Significant direct foreign investments have not come—only USD 470 M in the last 5 years. It is impossible to make the transition without bringing in largescale investment, Mr Pavlov argued.

The problem with economic sanctions should also be stressed. Bulgaria is an example of the negative fall-out from the UN response to regional crisis. The private sector in Bulgaria believes that UN member states must aid countries with specific problems arising as a direct result of the strict applications of the sanctions. The losses of the Bulgarian private sector alone are estimated at USD 3,000 million.

A lot of the new private firms in Bulgaria cut or froze ties when sanctions on Yugoslavia were imposed in 1992 and lost billions of dollars. That is why the private sector insists that Bulgarian firms should play a significant role in the regional rehabilitation programme for former Yugoslavia. Contracting private firms in recovery projects will compensate to some extent their losses from the embargo.

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Tamara Manufacturer Views Radar, Sales

AU2912155695 Prague PRAVO in Czech 20 Dec 95 pp 1, 4

[Interview with Oldrich Barak, president of HTT-Tesla Pardubice, by Vitezslav Kulich; place and date not given: "We Are Negotiating With NATO Countries on Selling Tamaras"]

[FBIS Translated Text] [Kulich] Who actually invented Tamara?

[Barak] A single person cannot invent a system like Tamara. A number of research teams formed from the ranks of experts from the Academy of Sciences, the Army, and the enterprises worked on it. Some 150 specialists worked on the final version.

[Kulich] Who led all of the teams?

[Barak] A special workplace in Brno, in which Mr. Vlastimil Pech was also one of the senior staff, dealt with its development originally. It gradually came under the research institute that I headed. The principles on which Tamara operates were proved in the 1960's on the original system, Kopac. This was the first system in the world to operate on a chronological hyperbolic principle. A number of countries had attempted this unsuccessfully. In 1982, Ramona followed up on the Kopac system. The first Tamara appeared four years later; it has gone through several generational changes since then.

[Kulich] On what principle does it operate?

[Barak] On the chronological hyperbolic principle. This is a passive system that does not emit any energy. At the same time, it receives all impulse-type signals in a frequency band from 82 to 18 gigahertz. In essence, it involves three stations 10-30 kilometers apart. This forms a chronometric axis. The stations represent the center of a hyperbole in whose point of intersection we can find the position of a target. The target can be any source of an impulse-type emission, any equipment that is in operation. Tamara determines its position precisely. Moreover, it can tell whether it has already encountered such a target and, therefore, can predict, for example, its evasive maneuvers. It registers all of the targets in the sector up to a depth of 450 kilometers and a breadth of 200 kilometers.

[Kulich] Is is also capable of detecting Stealth, the U.S. invisible aircraft?

[Barak] It detects any emitting electronic device, whether it is on board anything. This invisibility depends on reducing the reflective surface; therefore, ordinary radar systems cannot detect it. Our radar will not detect such an aircraft at a normal distance—for example, 150 kilometers—but, for instance, at up to 20 kilometers. But it detects it.

[Kulich] Evidently, for this reason the U.S. Congress suspended further development of the invisible A-12 aircraft with special technology for absorbing radio waves.

[Barak] It is hard for me to say. I am being blamed for it.

[Kulich] How is the secret of Tamara protected? A number of countries are apparently trying to duplicate it.

[Barak] Everything can be duplicated. You need a great deal of time and a large scientific staff for this. And, as the case may be, a model. If, however, you do not have the software at your disposal, it is very difficult. Software is the very soul of the entire Tamara system. It is protected by a patent. The complexity of the whole system is its best protection. It cannot be ruled out that someone will develop an equally unique system or an even better one.

[Kulich] Nevertheless, so far no one has managed this.

[Barak] No.

[Kulich] Are you continuing to develop Tamara?

[Barak] We have a research institute that deals with these tasks. Now, for example, it is working on refining Tamara for air traffic control without radar. The first results are very promising.

[Kulich] Is is possible, on the other hand, to trace it somehow?

[Barak] By a visual survey. It cannot be detected by radar or another device.

[Kulich] What do you think of the fact that, without your consent, the Czech Army is showing Tamara to U.S. and FRG experts?

[Barak] We can hardly say that the Czech Army cannot dispose of them freely. When you sell one such system abroad, it is no longer a secret. The Bundeswehr has one Tamara and one Ramona.

[Kulich] If the Tamaras are so unique, why do they sell badly?

[Barak] I would not say that they sell badly. But our Army has one system and it is sufficient for its needs. Interested parties from abroad must first of all find the means to purchase this system. It costs about $20 million. A deal has to be approved by governments, often by parliaments. Its export from the Czech Republic is subject to a licensing procedure. The Foreign, Trade

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and Industry, Defense, and Interior Ministries express their views on it. Therefore, the deal takes at least one year or 18 months. We have been operating in Tesla Pardubice for two years. Moreover, we are presenting the Tamaras on new markets. We will export the first one to Kyrgysztan. Talks have begun on other deals. We are also negotiating with NATO countries.

[Kulich] Is the United States also interested in Tamara?

[Barak] It is not negotiating with us at the moment. It may, however, purchase it from one of the postcommunist armies.

[Kulich] How many Tamaras have been sold to date?

[Barak] About 15. In essence, all of them went to the former USSR.

[Kulich] According to the pioneer of the original system, Vlastimil Pech, following the collapse of the Iron Curtain, Tamara is condemned to extinction.

[Barak] Absolutely not. It can be used in air traffic control, navigation, and so on. This is borne out by the interest a number of countries are showing in it.

[Kulich] But a rival, Vera, which is considerably cheaper, has been developed.

[Barak] It relies purely on the identification signal emitted by an aircraft. If this were to be switched off, it would be blind.

[Kulich] Were some of the patents for Tamara misused during its development?

[Barak] We are looking into this at the moment.

[Kulich] Mr. Pech also claims that he can switch off Tamara. Is this possible.

[Barak] Mr. Pech has several opinions on this, opinions that he keeps on changing. Every system has its Achilles' heel; the professor, however, has obviously not taken into consideration the fact that 10 years have passed since he worked with Tamara. It is constantly being refined and modernized. He would obviously not get anywhere with his ideas. He can try, though.

[Kulich] What is HTT's current financial situation?

[Barak] We took over the enterprise just before its bankruptcy. During the past year, the Tesla Pardubice state enterprise managed to run up debts of more than 1 billion korunas [Kc]. As a whole, they amounted to approximately Kc1.5 billion. If we manage to sell another Tamara, we should pay them off within a year and a half. At the moment, we are putting everything we have into production. I think, however, that it is worth keeping Tesla Pardubice above water and in Czech hands. We have received a number of foreign offers. Plainly, this would be the first step toward exporting our know-how and closing the enterprise.

[Kulich] Is HTT dependent only on the sale of Tamaras?

[Barak] Tamara is our definitive product, but we also have, for example, landing and river radar systems. We are now offering a track fail-safe radio system for railroad corridors.

[Kulich] What is your total turnover?

[Barak] In better years, it would be about Kc2.5 billion. This year we will reach about Kc600 million. In a year's time, if we sell Tamara, it will be something over Kc1.0 billion.

[Kulich] Do you not have the feeling that certain Czech dailies are harming your deals?

[Barak] If we are negotiating a deal, an incomprehensible wave of unfavorable articles swells up, especially in MLADA FRONTA DNES. It describes our system as a spy system, and it does not see that it can be used for civilian purposes. There has been speculation that Tamara could be exported further from a given country—to states under the UN embargo. Something like this would be impossible abroad. It is hard to imagine that the U.S. press would present the export of its own U.S. technology in this fashion.

Air Base May Be Used by Weapons Smugglers

96CH0015A Prague PRAGUE POST in English 14 Nov 95 p 3

[Article by Maggie Ledford Lawson and Jan Stojaspal: "Czech Air Base May Have Served as Cache for Smuggled Arms"]

[FBIS Transcribed Text] A Czech organized-crime squad is investigating claims that weapons diverted from Soviet stockpiles in former East Germany have been stored at a deserted air base in north Bohemia.

The smugglers, allegely including former Russian military officers and Czech and Soviet secret police, form a ring that sells weapons in the former Yugoslavia and Chechnya as well as to groups in Israel and Algeria, according to news reports. The German ZDF television station aired the story late last month, and the report subsequently appeared in the FRANKFURTER ALLGEMEINE ZEITUNG. The newspaper reported that the Saxony law-enforcement office confirmed the TV account. A spokesperson for the regional police in Dresden declined to comment.

The reports said pistols, machine guns and large amounts of ammunition were brought from former East Germany—Dresden, Oschatz, Riesa, and military bases

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in Sperenberg and GroBenhain—between 1990 and 1994, and stashed at Straz pod Ralskem, a 250-square-kilometer (100-square-mile) military base near Liberec.

The installation includes Hradcany Airfield, which was used as a staging area for the Warsaw Pact invasion of Czechoslovakia in 1968. The military base has been deserted since the Russians pulled out in the early 1990s, leaving a legacy of broken windows in the site's 400 buildings, and soil so polluted with carcinogenic gasoline and oil that the Czech government is spending millions of crowns on remedies.

Jan Subert, spokesman for the Czech Interior Ministry, which oversees police operations, said it is impossible to rule out criminal activity in the case. However, he added, he doubts that "a high level of international trade" in weapons is involved.

Jiri Voralek, director of the Usti nad Labem police, the law-enforcement office that oversees the Ralsko base, said he doesn't accept the press reports. "I think they're making it up," he said. "It's highly unlikely that the police would have received no signals about activity that allegedly went on for four years."

People familiar both with issues involving illegal weapons and with the base, however, say circumstances were favorable for a smuggling operation in the area.

A high-ranking Czech customs official said "it sounds realistic" that the smuggled weapons could have come from former East Germany. The weapons that were destined for Russia following the fall of communism were shipped on trains, said the official, who asked not to be identified. The last weapons shipments from East Germany passed through the Czech Republic on their way to Russia in August 1994.

The customs official added that Russian soldiers who occupied Czechoslovakia traditionally traded items on the black market. "The system has sort of remained in place," he said.

"If someone wants to hide something (on the military base), there are a lot of places for it," said Ferdinand Hercik, a senior consultant for KAP, the environmental-consulting firm that is cleaning up the air base. The company has had a small crew working since 1992 on a heavily contaminated area near the landing strips.

There is only a handful of guards stationed at the former military base. Activity could easily have gone on without their finding out, said those familiar with the installation.

Ditches, bunkers, machine shops, apartment buildings and even deserted schools are among the potential hiding places, said KAP officials.

"This worries me," said KAP business director Alastair Millar in response to the news reports. He said he planned to seek information on the situation from the government.

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Commentary on U.S. Report on Slovak Democracy

AU2912153595 Bratislava SLOVENSKA REPUBLIKA in Slovak 28 Dec 95 p 1

[Commentary by Marian Dudinsky in the "Public Matter" editorial column]

[FBIS Translated Text] It seems that we have grown so accustomed to all kinds of classifications and labeling of Slovakia that we have become indifferent to it, even at the official level. This indifference does not exactly do credit to the work of those offices that should officially react to such quasi-assessments. Failing officially [protokolarne] to react, at the very least, to the evaluations of the most renowned foreign "institutions," those that substantially and daily shape world public opinion about Slovakia, is a sign of our immaturity. What is the matter?

According to the U.S. organization Freedom House, which supposedly operates in the sphere of developing freedom and which opinion-leading dailies such as THE NEW YORK TIMES and THE WASHINGTON POST and apparently also the analytical services of the White House are fond of quoting, Slovakia ranks among countries in which, supposedly, the spread of democracy is hindered by "red-brown alliances"! The Freedom House survey classifies individual countries as free, partially free, and unfree, and Slovakia comes in for an unflattering label. True, the fact that our neighbors, Hungary and Poland, where former communists have allegedly seized power, were evaluated similarly could console us. However, we simply cannot identify ourselves with such labels for the simple reason that we are a sovereign state and no one has the right to rank us among this or that group without looking at his own reality first. Colonial practices used in banana republics cannot be used in Central Europe, the cradle of world civilization, which was temporarily deprived of its own democracy only by the treason of Western "democracies"! Everything written so far applies also to another American institution, the Open Media Research Institute [OMRI], which stands on guard of democracy in Central Europe directly in Prague, at 63 Na Strazi [vernacular name of street translates as "On Guard"], and, within the framework of plurality and democracy, draws its information, as a matter of principle, from positions maintained by the Slovak opposition....

District Officials Appeal to President Kovac

AU2912124995 Bratislava SLOVENSKA REPUBLIKA (SLOVENSKO DO TOHO supplement) in Slovak 21 Dec p VII

["Appeal by the Chairmen of District and Municipal District Offices from Central Slovakia"—place and date of issue not given]

[FBIS Translated Text] We chairmen of district and municipal district offices from Central Slovakia present fully realize that the present Government of the Slovak Republic, which emerged from free and democratic elections, received its biggest support precisely in our region. As representatives of general state administration, we realize our responsibility toward our citizens and cannot agree with the steps being taken by Mr. Michal Kovac, president of the Slovak Republic, and the opposition against the Government of the Slovak Republic, its prime minister, and the interests of our state.

We observe unceasing attacks on the Government of the Slovak Republic at a time when the integration of local state administration bodies, the territorial and administrative arrangement of the Slovak Republic, and other issues concerning the economic development of the Slovak Republic are being tackled. The pressure exerted by Mr. Michal Kovac and the opposition does not permit full concentration on work for the benefit of developing sovereign Slovakia.

Virtually every foreign trip by Mr. Michal Kovac and members of opposition parties and movements ends with their statements casting doubt on the democratic development in Slovakia, statements that are subsequently reflected in various demarches and resolutions.

In the television program on 26 November 1995, Mr. Michal Kovac convinced us once again that he is not self-critical and does not behave as first citizen of the Slovak Republic, who should be politically bipartisan. Quite the contrary, he publicly declared that he sides with the opposition.

Equally alarming is the fact that the head of state does not own up to his publicly expressed words, does not stand behind them but adjusts them in retrospect

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and "explains" them to our citizens. To prevent a discrepancy between what he really says and what he only thinks, it would be appropriate to accompany all of Mr. Michal Kovac's pronouncements with his commentary.

Unlike Mr. Michal Kovac and the opposition, the present Government of the Slovak Republic proves that it is capable of managing the state on democratic principles, defending the interests of our country, and leading it toward not only economic but also comprehensive stabilization. It is gradually implementing its policy statement.

The National Council of the Slovak Republic [NRSR] is acting as the parliament of a sovereign state bearing responsibility for the present and future development of our Republic.

This is why we, representatives of general state administration from Central Slovakia present, fully support the NRSR and the Government of the Slovak Republic in their struggle for a democratic Slovakia and appeal from this place to NRSR deputies to unite, just as they did in the vote for the law on the state language, and terminate the current state of tension in society.

At the same time, we appeal to Mr. Michal Kovac, president of the Slovak Republic, to look for and find the internal strength to eliminate the tension he has created between himself and the NRSR and the Government of the Slovak Republic.

Judges: New Laws Endanger Courts' Independence

AU2912150195

[FBIS Editorial Report] Slovak newspapers recently published a number of reactions to two law amendments passed by the Slovak parliament on 14 December—Law No. 335/1991 on Courts and Judges and Law No. 412/1991 on the Disciplinary Responsibility of Judges. Some of these reactions allege that the amendments could be used to curtail the courts' independence.

Bratislava PRAVDA in Slovak on 15 December on page 2 carries a 600-word report by "sm, TASR" on the 14 December debate in the Slovak parliament, which includes the following passage: "Parliament approved an amendment to the law on courts and judges, which regulates the formation, status, and activity of judiciary councils [sudcovske rady]. An important part of the law are provisions that make it possible to recall a judge from the post of chairman of the tribunal [senat] of judges at a second-tier court and the Supreme Court of the Slovak Republic also for other than disciplinary reasons. The law on the disciplinary responsibility of judges has also been amended, in the interest of improving the judges' discipline and a more consistent fulfillment of their duties. The disciplinary tribunal will have to decide on a judge's wrongdoing or transgression within three months after a complaint has been filed. Before approving the amendment, the deputies rejected an amendment to the same law that had been submitted by Christian Democratic Movement [KDH] deputies."

Bratislava SME in Slovak on 15 December on page 1 carries a 400-word interview with KDH deputy Pavol Hrusovsky by Alena Gottweisova entitled "Government Draft Could Endanger Judges' Independence." In the interview, the place and date of which are not given, Hrusovsky explains differences between the KDH and government-proposed amendments to the law on courts and judges. Hrusovsky says that, while both the government's and the KDH deputies' drafts provide for the establishment of judiciary councils, there is a "substantial difference" between the powers vested in these councils: "According to the KDH deputies' draft, court chairmen should have the right to recall chairmen of tribunals of judges for other than disciplinary reasons only if the judiciary council approves this. According to the government's draft, the judiciary council should only have the right to deliver its opinion on recalling the tribunal's chairman, but this opinion need not be binding on the court's chairman. Another difference of principle is that the deputies' proposal does not deal with the issue of the judges' disciplinary responsibility. The government's draft, on the other hand, amends also this law, by means of a newly proposed provision that makes it possible for the court chairman to recall the chairman of the tribunal of judges for reasons that are not precisely defined." As Hrusovsky explains, "The government's draft includes among transgressions against discipline, for example, a judge's conduct that is incompatible with the principles of ethics, introduces terms such as 'lack of conscientiousness,' and the like. These are vague provisions that allow the court chairman to interpret them in a self-serving manner." The KDH deputy therefore believes that "these provisions could become a threat to the courts' independence."

Bratislava SME in Slovak on 18 December on page 4 carries a 400-word commentary by Juraj Hrabko entitled "Power's Fear of Thinking." Hrabko says that, by means of the amendment to the law on courts and judges, "the state arrogated the right to decide on the post of chairmen of tribunals of judges. By coupling this amendment with an amendment to the law on the disciplinary responsibility of judges, government power has created the possibility for itself to directly interfere with the courts' decisionmaking activity. For the time being, no one claims that it will do so. It is certain,

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however, that, once the aforesaid amendments go into force, it will be able to do so."

Bratislava PRAVDA in Slovak on 20 December on page 3 carries a 500-word report by "jo" entitled "Association of Judges of Slovakia Has Reservations About Law Amendments." The report deals with a news conference organized by the Association of Judges of Slovakia [ZSS] in Bratislava on 19 December, at which ZSS representatives raised their objections to the recently amended laws. According to the report, ZSS President Ludovit Bradac criticized the fact that, while the amended law on courts and judges provides for the formation of judiciary councils as "self-administered bodies," the powers vested in the councils are "minimal" and "downgrade them to the level of advisory bodies." It is therefore "impossible to say that the courts operate independently of the state administration and are thus independent," Bradac is quoted as having said. At the same news conference, "ZSS Presidium member Jan Hrubala formulated the ZSS's reservations about the amended law on the disciplinary responsibility of judges, which he characterized as a 'serious intervention in the independence of courts and judges.' The amendment states that the violation of special regulations (that is, laws that judges apply in practice) can be a reason for placing a judge before a disciplinary tribunal, which Hrubala qualified as unacceptable. The ZSS also disagrees with the possibility of chairmen of tribunals of judges being recalled. According to Jan Hrubala, decisions on the posts of chairmen of tribunals of judges should be made exclusively by judiciary power. He warned against possible abuse of this provision against judges whose decisions will not be to the liking of certain segments of state power."

The above news conference is also the subject of a 1,000-word article by Juraj Alner entitled "Judiciary's Powerlessness in Asserting the Democratic Principle of Division of Power" in Bratislava NARODNA OBRODA in Slovak on 20 December on page 3. Alner views the latest law amendments, which, as he says, have "caused disenchantment," as proof that "tension in shaping pluralism in the state persists. We observe tendencies leading, step by step, toward the strengthening of concentration of power. If judges do not achieve true independence in decisionmaking and in planning their work, this tension can only grow." Alner reminds the government that, in a democratic society, individual segments of power—the legislative, executive, and judiciary branches—should operate independently and that "government power should not control the interpretation of the law and punish cases when the judge explains the law differently from the ideas of a representative of government power."

FNM Bonds To Be Issued on 1 Jan

AU2912155195 Bratislava PRAVDA in Slovak 28 Dec 95 p 1

[Report by "vt": "31,000 People Gave Up Bonds"]

[FBIS Translated Text] Bratislava—On the first day of next year, National Property Fund [FNM] bonds will be credited to the Securities Registration Center accounts of 3,329,630 citizens who had registered for the second wave of coupon privatization. A total of 31,000 people expressed their disagreement with the change of coupon privatization into bond indemnification by canceling their registrations. The FNM bond, whose nominal value is 10,000 korunas [Sk], will be redeemed, along with the annual yield, which has been fixed at the level of the National Bank of Slovakia discount rate (9.75 percent at present) on 31 December 2000. The bond can be sold before the date of maturity to a company that has liabilities with the FNM, can be used for supplemental pension or health insurance, or can be used when acquiring ownership of an apartment (according to the recent ruling of the Constitutional Court of the Slovak Republic, the third manner of use is possible only when the community or housing cooperative [that currently owns the apartment] agrees with this method of payment). It will also be possible to use the bond to purchase shares offered by the FNM on the public securities market.

Power-Generating Part of Gabcikovo Dam Completed

AU2912153495 Bratislava HOSPODARSKE NOVINY in Slovak 28 Dec 95 p 2

[Report by "HN": "It Will Cover One-Third of Consumption; Power-Generating Part of Gabcikovo Hydroelectric Power Plant Completed"]

[FBIS Translated Text] Bratislava—Following the prescribed comprehensive tests, on 22 December 1995 Vodne Elektrarne [Hydroelectric Power Plants] Trencin, in cooperation with the supplying organizations, put into operation the eighth TG1 turbine unit of the Gabcikovo hydroelectric power plant. All eight turbine units envisaged in the original common [Slovak-Hungarian] project for the Gabcikovo-Nagymaros system of hydroelectric power plants have thereby been installed and are ready for operation.

Within the framework of the alternative solution for the Gabcikovo hydroelectric power plant [made necessary by Hungary's withdrawal from the project], initially it was decided to install only six turbine units in Gabcikovo. Their first year of operation showed that, in the event of the Danube's high rate of flow, these

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six turbines could not process the entire Danube flow, and part of the Danube waters had to be released idly through the Cunovo weir. This resulted not only in losses of electricity, but also in damages under the Cunovo weir. An economic analysis demonstrated the advantageousness of installing the two outstanding turbine units, even in the event of their utilization only at times of increased passage of Danube waters.

Work on the comprehensive completion of the alternative solution for all parts of the Gabcikovo hydroelectric power project will continue in 1996. The power-generating part of Gabcikovo, however, has been ready since 22 December 1995 and can even now cover up to one-third of electricity consumption in Slovakia.

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Szent-Ivanyi Discusses EU Membership Conditions

AU2912181495 Budapest MAGYAR NEMZET in Hungarian 28 Dec 95 p 11

[Interview with Istvan Szent-Ivanyi, political state secretary at the Foreign Ministry, by Gabor Lambert; place and date not given: "Transitional Period Is Possible, Partial Membership Is Not—Szent-Ivanyi on EU Expansion"]

[FBIS Translated Text] EU expansion was an important topic at the organization's Madrid summit. In light of this, we asked Istvan Szent-Ivanyi, political state secretary at the Foreign Ministry, if in the government's view, the passing year has brought Hungary closer to the hoped for EU membership.

[Szent-Ivanyi] In our assessment, the Madrid summit brought serious and material progress. The first decision which links the launching of the admission process to an actual date for the countries wishing to join was made here. However, it is also an undoubted fact that the document mentions a joining process rather than admission talks. Therefore, some points still have to be made more precise and it has to be clarified that admission talks will have to be started at the given time, at least with certain countries. We can accept that if the process was launched at the same time with all applicant countries, this would not mean an automatic start of talks with all of them. In the case of certain countries, prior talks or the clarification of the country report might also be needed. Actually, the other important Madrid decision—which, I believe, makes the EU's intention for expansion serious and well founded—is that the Council of Europe asked the committees to prepare the various country reports.

[Lambert] Can we expect that the objective criteria, on the basis of which we will be assessed, will sometime in the near future be drawn up in Brussels and also forwarded to us?

[Szent-Ivanyi] We do not actually need more precise criteria than what we already know. What are the criteria? First of all, the sections of the Rome Treaty, the founding document of the European community, which lay down three important points: The future member has to be a democratic, multiparty European country with a free market economy. This was later supplemented in Copenhagen by the notion of community attainments and achievements, which was later included in a document, laying down in 23 chapters the achievements reached in the meantime which, in the community's opinion, have to be accepted by the joining European countries. The White Book, which was decided in Essen and accepted in Cannes, is based on this system; the Hungarian Government has prepared its report in connection with this and we handed this over in Madrid. This report states the point we have reached in all 23 chapters because, contrary to public belief, we have already fulfilled some conditions and intend to fulfill the rest, too.

[Lambert] Does this mean that we need not expect that it will be taken into account whether Hungary meets the convergence criteria, namely, the conditions of joining the European currency union?

[Szent-Ivanyi] Naturally, the union would not be happy to accept a country that rejects the common currency from the outset or is so far removed from meeting the conditions that there is no hope for its catching up within the foreseeable future. At the same time, Madrid also made it clear that in 1999, if the third phase of the European unified monetary system begins, not all current member states will participate in it, in fact, perhaps only a few. The rest are expected to try to meet the convergence criteria. In the case of the applicant countries, it would cause a problem if it was proved as a tendency that these countries (including Hungary) are getting further from, rather than closer to, the common currency. As a matter of fact, the European Union considers legal harmonization much more important for admission. The White Book also basically concentrates on the legal regulations and internal market adjustments as a measure of maturity. From this point of view, Hungary's assessment has improved considerably in a few months. I would especially emphasize the past two to three months. The beneficial effects of this are already shown in various reports, but we must not be self-contented because we are still at the beginning of this process.

[Lambert] Earlier we saw some mainly press assumptions that Hungary might first be admitted to NATO rather than the European Union, and Slovenia, the Czech Republic, and Poland might have a greater chance for the latter.

[Szent-Ivanyi] These are definitely guesses because neither the European Union nor NATO have named any countries and they refrain from even referring to the range of countries that could join in the first round. However, Chancellor Kohl made it clear before the Madrid summit that Germany gives preference to Poland, the Czech Republic, and Hungary, and this created much stir in the international press. We also know that Germany is in favor of starting the talks with those countries that are actually prepared for membership.

As to joining the European Union and NATO, there is a growing tendency that admission to the two

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organizations should be more closely linked. In the past months, several important political factors have clearly stated that in the future it will be more difficult to imagine the admission of a new member state to the European Union if it is not a member of NATO. These issues are closely connected, therefore, it is less likely that certain countries can only join one of these organizations.

[Lambert] After Madrid, is it getting clearer what proportions of the union's various subsidy and development funds we would get?

[Szent-Ivanyi] At the moment, it is still very difficult to say anything about this because even the intergovernmental conference to be started next year does not wish to deal with this issue. The current financial support system, the structural funds, the agricultural fund, and the cohesion fund are in force until 1999; therefore, their validity will not expire during the intergovernmental conference, but new talks for the period after 1999 will start immediately after the conference.

This will have to take into consideration the full, expanding range of participating countries. Our opinion on this is that we cannot accept a partial membership which breaks up the balanced system of rights and obligations, passing all or a greater part of the obligations on the new member state but not granting some of the rights. Such ideas have emerged from various sources in recent times. We can only agree with the joining states becoming full members—if they are ready and fulfill the conditions—and enjoying the same advantages as the other member states. This is regardless of the fact that the advantages will obviously be significantly changed after 1999. It is of course possible and this is also in our plans that a country might become a member with a transitory period, following the Spanish-Portuguese model, with even as long as a 10-year transitional period of mutual allowances. It has to be a result of a bargain between the two sides on which issues Hungary wants favors and delayed enforcement for itself and where the European Union wants these. It is possible that we will only get limited or delayed access to certain funds in a given period, but then this will have to be supplemented or compensated by other advantages for us. However, it would be too early to discuss these in greater detail because we do not yet know the support system after 1999. At any rate, we ask at all talks that this range of issue be assessed in the future from especially the viewpoint of extension.

[Lambert] Can the countries, which can be part of the first round of extension, expect that (considering the past practice of the European Union) the admission talks will be ended with them within a reasonable length of time, namely, one or two years, or are we to expect four to five years, or an even longer process?

[Szent-Ivanyi] The Hungarian Government's stance is that it is in favor of target-oriented and preferably brief talks, in our view, this is in the interest of both sides. This is how it happened in the latest round when the admission talks were concluded in some 15 months. We also consider a one and a half to two year period optimal.

[Lambert] This means that we have not yet given up on becoming a member before the turn of the century.

[Szent-Ivanyi] We have not given it up, we consider it a tight but realistic and achievable schedule. This is not our illusion, influential personalities of the European Union also do not consider this impossible. Naturally, this depends on many factors, some of which are up to us, others are not. Much depends on international developments and on the stance of the governments of the day in the given member states because elections are to be held in some key European countries in the meantime. This means that it is difficult to predict several factors, but I maintain that although membership by the turn of the century requires a tight schedule and serious efforts, it is not an unrealistic expectation.

Suchman Blames Bokros for Ministers' Departure

LD3012105495 Budapest Kossuth Radio Network in Hungarian 1000 GMT 30 Dec 95

[FBIS Translated Text] Tamas Suchman, the privatization minister, blames Finance Minister Lajos Bokros for the departure of ministers Pal Kovacs, Magda Kovacs Kosa, Laszlo Pal, and Bela Katona. In his end-of-year interview with SOMOGYI HIRLAP, Tamas Suchman remarked that the government lost the best experts and most committed left-wing politicians of the Hungarian Socialist Party because of Lajos Bokros.

The privatization minister admitted that, for the moment, he is in the minority within the government, but he said he hoped time would prove him right.

Tamas Suchman stressed that his relationship with the finance minister was not trouble free, but it did not hamper government work.

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Border Guard Commander Reviews Reorganization

AU0201125896 Budapest MAGYAR HIRLAP in Hungarian 28 Dec 95 p 6

[Article by Karoly Lencses: "Three Billion for Development in Five Years—The Border Guard's Reorganization Ends"]

[FBIS Translated Text] The reorganization of the Border Guard, which has lasted five years, will be finished this year: Border guard squadrons have been set up, some of the forces have been regrouped to the eastern and southern border sections, and only regulars are now serving at border crossings. The change cost 0.5 billion forints [Ft] and another 3 billion was spent on developing technical equipment. At the same time, it has been suggested that regular troops should replace conscripts in border guard units.

The idea of reorganizing and considerably reducing the approximately 22,000 strong Border Guard was raised in 1988-89, because it had become clear that such a large apparatus was no longer needed with the introduction of the world passport [as published] as a basic right.

The concept visualizes an organization of some 10,000 men, along with a few hundred conscripts performing only auxiliary tasks, said Balazs Novaky, commander of the Interior Ministry Border Guard. However, as a result of the Romanian revolution, increasing illegal migration, and the south Slav crisis, these ideas were reassessed and border guard squadrons consisting of conscripts started to be formed on the basis of a 1991 government decision. At the same time, the number of conscripts has been gradually reduced at the border stations and soon only regular warrant officers will be handling passports. This way, the organization consists of some 17,000 people at the moment, but 7,200 of them are already regular border guards, 2,300 civil servants, and only 7,500 are conscripts (1,700 of these are being trained, which means they cannot be put on active service).

The number of border violators has gradually been decreasing in recent years, while the danger of war has also ceased to exist on the southern border. However, no further reductions of the Border Guard are on the agenda, Novaky emphasized.

The reason for this is that the south Slav peace is still extremely fragile and we must expect illegal migration to continue in the long run. In addition, other types of legal violations are rapidly increasing; for example, many hundreds of kilograms of drugs have been found at the border this year. However, it is not likely that any new border guard squadrons will be set up, although only 26 exist of the 28 planned.

In the past, more than a third of the border guards were stationed in the country's western area, 27 percent served in the south, and only a fifth on the northern and eastern borders. As a result of the reorganizations completed this year, two directorates were closed down on the Austrian border and some of the statuses were regrouped to the southern and eastern borders. This way the size of the various directorates is more or less proportionate with the length of the border that they control. Future admission to the EU will probably require further measures.

Some 47 percent of the current staff can be found on probably future internal borders, assuming that Slovakia will also become an EU member, so further forces will have to be transferred to the southern and eastern regions.

Although major cutbacks are not planned, it has been suggested that the number of conscripts should be further reduced. In connection with this, Novaky emphasized that only regular border guards could act with the power of authority—they have authorization for this within 20 kilometers of the borders; therefore, even now conscripts can only be sent into service as part of a unit or under the supervision of a regular patrol. For this reason, calculations are being made on the cost of using only regular or perhaps contracted soldiers in all the border guard squadrons.

Novaky said that, as soon as the proper calculations were completed, they would be submitting their proposals to the government and the changeover could start in one or two years.

Parallel to reorganizing the Border Guard, significant developments have taken place in recent years.

Some Ft2.5 billion has been spent on modernizing telecommunications and computer technology—some of this was foreign, such as U.S. Government support—and various vehicles have been purchased at a cost of some half a billion forints.

Another Ft500 million would have been needed to replace all the outdated vehicles. At the same time, in the course of changing to the professional guarding of the borders, 150 million was spent on personal equipment for almost 4,000 people, while various weapons were bought from the Hungarian Army for Ft170 million to strengthen the border guard squadrons (although they have not yet been able to pay for these).

In exchange for some of the Russian state debt, new equipment will soon be arriving: some 70 BTR-80 armored transport vehicles, antitank missiles, bulletproof vests, and many hundreds of Lada Niva jeeps.

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Novaky said that today almost all the border crossing points were equipped with computers linked to the national network, so that, for example, police arrest warrants also arrived at the border posts within minutes.

In addition to this, they are in contact with several countries and the EU's central data bank in Wiesbaden. The system has been set up in accordance with European norms, so, as soon as the political decision is made, they can be directly linked to the Union's registration system without significant investment. Some crossing points already operate document-reading equipment designed according to Hungary's needs and these will be installed at all the border points with heavy traffic next year. This equipment is able to read traditional bar codes, as well as typed print, and checking passengers can be significantly speeded up using this.

At the same time, talks are being held with Hungarian insurance companies willing to finance the installation of automatic number plate recognition equipment. In January, British and French companies will be demonstrating equipment suitable for controlling open borders; these have already been tested by Bavarian and Austrian authorities.

It is possible that Austria will install such equipment within a short time, but Novaky does not believe that we will have the money for such equipment within the next few years.

Some Typical Legal Violations at the State Border

Act	1990	1991	1992	1993	1994	1995*
Attempted unlawful crossing of border						
Outward	[No data as published]					
Inward	4,067	8,348	5,318	2,814	2,219	1,856
Unlawful border crossing (person possibly caught abroad)						
Inward	1,888	5,251	4,544	3,017	2,714	1,963
Outward	597	1,589	1,433	1,131	964	1,067
Forgery of official documents			2,135	4,812	3,732	3,190
Car theft			41	461	430	422
Human trafficking	40	221	123	82	138	217
Capture based on arrest warrant			77	138	149	137
Helping border violator	116	254	458	296	172	167
Legal violation in connection with foreigners			379	6,171	5,681	4,140
Total	14,244	29,831	23,925	27,552	24,200	19,276

FOOTNOTE: * First 10 months

NOTE: The range of unlawful acts was expanded in 1992. The table does not contain all categories.

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Poll Finds Budapest's Political Mood 'Negative'

AU2912153295 Budapest MAGYAR NEMZET in Hungarian 28 Dec 95 pp 1, 5

[Unattributed report: "People's Political Mood During the Horn Government"]

[FBIS Translated Text] Several analyses have been published on the Horn government's activities. These articles and studies reflected the opinion of economic experts, political scientists, and politicians. At the end of 1995, on a national sample of 1,000 people representing the population according to gender, age, and type of settlement, the Mareco Ltd. sought to find out how people themselves see the changes in their political mood since the last elections. The researchers asked two questions: How has people's political mood changed during the Horn government compared with the previous government, and how do they expect their political mood will change in 1996 compared with 1995.

The replies show that the economic policy of the past one and a half years and the various political debates have had a rather distinct effect on people's political mood. Some 75 percent of those questioned said the political mood deteriorated during the Horn government compared to the previous government. Only 3 percent reported improvement, and 21 percent said their mood did not change.

The opinion of Budapest's citizens was most critical on the question of how people's political mood changed during the Horn government, the proportion of those giving a negative answer was the largest among them (81 percent).

Expectations do not much change for 1996. Two-thirds of the people (65 percent) expect their political mood to deteriorate further, 29 percent believe it will not change, and only 5 percent expect an improvement in this.

As to how people's political mood will change in 1996 compared with 1995, the opinion of the various groups of population is rather homogeneous. No differences can be found according to any of the demographic criteria, and the expectations are not significantly different according to employment, schooling, or income groups, either.

How did people's political mood change during the Horn government compared with the previous government?

	Percent
Deteriorated	75
Did not change	21
Improved	3
No answer	1

How will people's political mood change in 1996 compared with the previous year?

	Percent
Will deteriorate	65
Will not change	29
Will improve	5
No reply	1

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Arab Mujahidin Warn U.S. About 'Threats'

MM0201165296 London AL-HAYAH in Arabic 31 Dec 96 pp 1, 6

[Article by Muhammad Salah: "Arab Mujahidin in Bosnia Warn Washington About 'Language of Threats'"]

[FBIS Translated Text] Cairo—The Arab mujahidin in Bosnia have warned the United States about the consequences of the erroneous "handling" of the "mujahidin" issue. They said that Washington "is leading a hostile NATO campaign against Muslim mujahidin." They pointed out that "the blatant U.S. position, which is hostile toward whatever is Islamic, has become a distinguishing feature of U.S. foreign policy."

AL-HAYAH has received a copy of a statement issued by "the Islamic Committee for the Defense of the Persecuted [ICDP]," a body comprised of prominent leaders of Arab religious groups that are in close contact with the Arab mujahidin in Bosnia. The statement is entitled "Beware of Erroneous Handling of Mujahidin Issue." It vehemently attacks U.S. officials' statements and stands on the Bosnia "mujahidin" issue, saying that these stands "proceed from a U.S. position hostile toward whatever is Islamic."

The statement said: "The United States was not alarmed by the thousands of people who helped the various parties, while it continues to make a stir over a few hundred mujahidin, even though these have repeatedly declared that they have no political objectives in Bosnia and that they will depart once they have assured themselves about the Muslims' safety and the recovery of their rights. So why is the United States condemning them? Is it because they thwarted its schemes by heroically standing by their brothers, defending them with their lives, while it [the United States] was gambling on the Muslims' defeat and surrender when they were besieged between the Serbs and the Croats? Or is the United States condemning them because of their role in the Islamic call and their efforts to acquaint Muslims with their religion, which, with God's help, has had a great impact on the Muslims' coherence and steadfastness?"

In its statement the ICDP wondered: "What is the reason for this U.S. arrogance?" The ICDP said that "the mujahidin do not need anyone to recognize their role and efforts in Bosnia...and if the United States or anyone else want to acquaint themselves with their [the mujahidin's] role, they should go to the cemeteries to see their headstones. They should go to the cities and villages to feel their effects and count those taught by them."

The ICDP added: "What right does the United States have to accuse the mujahidin of terrorism? Did they rape women? Did they slaughter children? Did they annihilate mankind as the Serb and Croat criminals did? No wonder...standards have been disrupted and racism and ill intentions prevailed."

The ICDP stressed that "the mujahidin set the most brilliant examples of sacrifice, Islamic brotherhood, and self-initiative, proving that the Islamic peoples, Arab and non-Arab, are qualified to carry out the greatest of tasks, even if some governments are lax."

In warning tones, the ICDP said: "Here is the weapon of martyrdom and death for the sake of God's cause being highly valued once again—the lethal weapon that is worrying the United States."

The ICDP stressed that "the mujahidin issue should be tackled within a framework of wisdom and through the Bosnian Government, for which the mujahidin have always declared their respect. They have also declared their intention not to embarrass it. Their policy is not to interfere in its affairs. The Bosnian people, represented in their government, know their interests well." However, the ICDP added that "in view of the reality resulting from a four-year war, during which the mujahidin intermingled with the Bosnian people, marrying among them and having children, some are entitled to live in this land, to whose people they are bound. The humanitarian aspect of the issue cannot be ignored, nor can the Bosnian Government's right to grant residence permits or citizenship to those who fought alongside their Bosnian brothers to defend this people." The ICDP demanded that "all the parties pledge to guarantee the safety of any mujahidin wishing to leave [Bosnia], release the mujahidin abducted by the Croats, and punish Croat officials for the treacherous ambush that targeted Shaykh Anwar Sha'ban, the man in charge of the mujahidin, and four of his escorts on 14 December, on the grounds that that was a blatant violation of the ceasefire declared under recent agreements." Concluding, the ICDP said: "If some of them try to use the big stick and the language of threats, intimidation, and treachery with the mujahidin, the Arab proverb says: They have brought it upon themselves."

Activites of IFOR Contingents Reported

Janvier Opens Mostar Airport

AU3112144395 Paris AFP in English 1246 GMT 31 Dec 95

[By Adrian Brown]

[FBIS Transcribed Text] Mostar, Bosnia-Hercegovina, Dec 31 (AFP)—Top French brass with NATO's imple-

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mentation force (IFOR) flew into Mostar airport Sunday morning to officially open the airbase that has been closed for more than three years.

General Bernard Janvier, assistant to the chief of IFOR and the commander of the French commanded multinational division southeast, General Robert Rideau, touched down in a French C-130 Hercules cargo plane at 9:45 a.m. (0845 GMT) at a mist shrouded airport.

A guard of honour of French Foreign Legionnaires, a French army engineering unit and Spanish IFOR soldiers were on hand to meet the general who was accompanied by General Robert Rideau, commander of the MNB [expansion unknown], southeast amd headquartered in Sarajevo.

"I am very happy to have landed at Mostar airport in an official manner to see the terrain, the use of which was interrupted by many years of war," Janvier told reporters.

"This was made possible by very important work carried out by French army units in the last three weeks. Today, 1,200 metres (yards) of the runway was open and this made our landing possible," he added.

The air base has been readied by French engineers and members of an 80-strong team from the French air force who have overseen demining work around the main runway and have set up a mobile control tower. The original is an empty hulk, stripped of its equipment and windows.

Surrounded by mountains, Mostar's airport, which once took regular civilian flights, has been closed since the Yugoslav army withdrew from the complex, wrecking buildings and blowing up the main runway.

Sunday's aircraft was not the first to land at the airport, there having been two others touch down in recent days as part of the preparation. The airbase at Mostar in the south of Bosnia, will function as a key logistic centre for the southeast multinational division, one of three in the IFOR.

Janvier said other parts of the runway would be open by mid-January once repairs to the tarmac have been completed, allowing "moderate levels of air traffic." Referring to the Dayton peace agreement signed earlier this month, which ended 44 months of war in Bosnia, the general said the airport opening "is a demonstration of the peace accord signed in Paris...an opening for the future on an economic level which should provide future commercial use of the airport."

As a deputy to NATO's Admiral Leighton Smith, who commands the Alliance's IFOR, the French general will spend the day inspecting French troops as well as Spanish units whose job it is to patrol former frontlines in the southeast of the country.

Under French command, IFOR's MNB southeast will include elements of the Spanish amd Italian armies, among others. Mostar, where government and Bosnian Croat forces battled for control of the city in 1993, is included in the French sector though shared between themselves and the Spanish.

Danes Plan for Deployment

BR2912112695 Copenhagen BERLINGSKE TIDENDE in Danish 28 Dec 95 p 8

[Article by Nils Eric Boesgaard: "DANBAT Prepares for Departure"]

[FBIS Translated Text] NATO Force: According to plan, 807 Danish NATO soldiers will cross the Sava River on 11 January, prepared to take part in monitoring the peace in the American sector in Bosnia, between the towns of Duboj and Maglaj.

The main body of a total of 807 Danish NATO soldiers in DANBAT, which will be part of the multinational IFOR [Implementation Force] in Bosnia, is fully occupied with preparations for departure from the barracks in Skive.

In addition to the staff of Brigadier General Finn Saermark Thomsen, the force includes a logistical support company and a battalion of about 550 men, including the tank squadron of about 125 men who are already in the area.

The commander, Colonel Jorn Jensen, along with several colleagues, was in Tuzla just before Christmas to reconnoiter the area where the Danes will be stationed, and on 4 January he will travel to Bosnia again in order to round off talks with local authorities on the placing of two Danish camps.

"We were fortunate with the weather, so we could land without difficulty in Tuzla. There we were received by representatives of the Leopard squadron and the Swedish battalion, who briefed us on conditions in the area," the colonel said.

Positive Experience

"Fortunately everything is peaceful at the moment. I have had meetings with military personnel from both the Serbian and Bosnian sides, and my chief impression is that they are relieved that there is peace in the country. They are tired of fighting and are glad to see us. This was definitely a positive experience."

The Danish battalion will be placed in an area between the towns of Duboj in the northeast and Maglaj in the

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south. "We have found two potential sites for setting up camp. One will be built on the Bosnian side, to the west of Duboj, in a deserted warehouse which has suffered considerable damage from the hostilities, but not so much that we cannot fix it up."

"The other camp will be set up on the other side of town, on Serb territory, in several military warehouses," Colonel Jorn Jensen said.

"The buildings as such are uninhabitable, but we plan to live in tents which will be set up indoors. We hope we can take the army's new heatable tents with us, which are raised using inflatable arches, and which are used, among other things, by field hospitals. In addition, we are taking along a number of containers with toilets, kitchen facilities, freezers, etc. We want to have as much as we can indoors, so that we have the best possible protection from the weather," he added.

According to the plans, the main Danish force will travel by train to Slavonski Brot in Croatia, so that it can enter Bosnia by crossing the American pontoon bridge over the Sava river on 11 January.

"It is difficult to say how long it will take. The roads are extremely bad, and there is deep mud everywhere. The roads have not been repaired for years."

"The second day we were down there, I was supposed to visit a British camp 70 kilometers south of Maglaj. It took us three hours, and that is a road which is used by normal local traffic, trucks carrying freight, etc.," the colonel said.

"The terrain where the Danish soldiers will be stationed is low mountainous country with an altitude of 300-700 meters. The western part of this area is intersected by the river Bosna, which flows through a broad valley. There are many small, scattered villages, and the roads are very bad everywhere."

Same Assignment as Before

"The Danish troops' assignment will presumably be to man observation posts and checkpoints as they did during the UN action, but at first it will be a matter of getting the warring parties to withdraw from a two-kilometer wide buffer zone on either side of the line of confrontation—and they have actually already started doing that, entirely on their own initiative," Jorn Jensen said.

Spanish Troops Conduct Patrol

BR0201143396 Madrid EL PAIS in Spanish 30 Dec 95 pp 1, 3

[Article by Special Correspondent Francesc Relea: "The Serbs Prefer the Spaniards"]

[FBIS Translated Excerpt] Bileca—The first armored vehicles of Spain's IFOR (NATO Implementation Force) troops were welcomed by the Serb inhabitants of villages along the Stolac-Ljubinje road in western Herzegovina, who flocked to the roadside or greeted them with smiles from within their houses. This road section, which had been closed to all traffic since the beginning of the war, was reopened yesterday. "Many made the victory sign to us. Never before had they seen foreign troops in this area," explained Captain Andres Hermosa, who participated in the first reconnaissance patrol mission.

The armored vehicles, painted in camouflage colors rather than the white of the United Nations, are moving along roads that were cleared of barricades and mines, but that nevertheless have a phantasmagoric aspect because the removed barricades are now lying scattered alongside the road in between the destroyed villages. In the village of Bileca, Colonel Milinic, spokesman of the IV Serb Army Corps of Herzegovina, gave assurances that the Serb military and population would welcome the Spanish troops, which will probably be deployed in the area as of January, with open arms.

This colonel chaired the first meeting since the beginning of the war between the Spanish Battalion's command and a large representation from the Serb media. [passage omitted]

Convoy Escorts Muslims to Goradze

AU3012181195 Paris AFP in English 1756 GMT 30 Dec 95

[By Victoria Stegic]

[FBIS Transcribed Text] Sarajevo, Dec 30 (AFP)—A group of Bosnian Moslems crossed into Serb-controlled parts of Bosnia for the first time in more than three years Saturday and visited the Moslem enclave of Gorazde under heavy NATO escort.

The trip, organised to reassure Moslems that they could safely return home in peacetime, went smoothly, a NATO multinational force spokesman said.

"The trip took place without any particular problems," the spokesman for the Implementation Force (IFOR) said, adding that the convoy reached Gorazde around 1:30 p.m. (12:30 GMT), three hours later than scheduled.

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Two buses, escorted by armoured vehicles, took some 70 Bosnian Moslems through Serb-controlled territories. The convoy left Sarajevo by the east and set off on the road leading to the Bosnian Serb stronghold of Pale.

The return trip would be delayed as a result of their late arrival, the spokesman said.

The Bosnian Moslems—all adult men and women—had earlier obtained authorisation from the Bosnia authorities to leave Sarajevo.

Before boarding the buses, they were frisked by security services.

Visibly fearful, Meliha and Fatima, the latter inhaling nervously on a cigarette, got into one of the two buses—chartered from the Sarajevo transport firm Centrotrans.

"We're frightened, but the desire to see Gorazde and our families again is stronger, come what may," she told AFP, before the IFOR convoy moved away.

"This set-up is here to reassure civilians, although there is freedom of movement at present," said IFOR spokesman Captain Frederic Solano.

Several armoured vehicles driven by French soldiers from the Sarajevo IFOR brigade provided the escort.

A French humanitarian aid convoy carrying 70 tonnes of clothes, shoes and medical equipment raised in France joined the cortege "to test the freedom of movement," organiser Roland Bourgeois said.

If the trip is successful, it will mark the re-opening of the main Sarajevo to Gorazde bus link. Initially it would run once a week under an IFOR escort.

Under the Dayton accord, the enclave will be linked to Sarajevo by a corridor which is two kilometres (one mile) wide.

The passengers were scheduled to spend only a few hours in Gorazde and were expected to return to the capital late Saturday, an official from the bus company said.

OSCE Head Meets Leaders, Discusses Accord

Izetbegovic Pledges Support

LD3012182795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 30 Dec 95

[FBIS Translated Text] Alija Izetbegovic, the president of the Bosnia-Herzegovina presidency, today received U.S. Ambassador Robert Frowick, the head of the Organization for Security and Cooperation in Europe [OSCE] mission, and his aides. They discussed the organization of the forthcoming elections in Bosnia-Herzegovina and agreed that they are the focal point of the Dayton agreement. The fate of the document signed in Dayton depends on the elections being held.

President Izetbegovic particularly stressed the need of creating conditions for the holding of normal elections: The freedom of movement, the return of refugees, the freedom of the media, and of political activity on the other side too, in order to prevent the elections from legalizing the unjust state of affairs, which is the consequence of the aggression.

Legal authorities of Bosnia-Herzegovina will give full support to the OSCE's representatives in their work. An interest was expressed in having as many observers and nongovernmental organizations dealing with human rights as possible monitor the elections. This would ensure that any possible abuses during the elections are reduced to a minimum.

Cardinal Stresses Media's Role

AU0101204496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Jan 96

[FBIS Translated Text] The Bosnian archbishop, Cardinal Vinko Puljic, also received Ambassador Robert Frowick in Sarajevo today.

Ambassador Frowick stressed that the religious communities could make a great contribution in the promotion of tolerance as well as assist in jointly overcoming the barriers of hatred.

Cardinal Puljic informed his guest about the great suffering of the Catholic Church on these territories and emphasized that the church maintained contacts with other religious communities throughout the war. He also emphasized that with his assistants he will continue to work on reconciliation and forgiveness. However, he also emphasized that the other danger—namely, the truth being written by those who have power, as it used to be the case in the communist regime—should also be avoided.

To the cardinal's observation that the army and the media serve the politicians, Ambassador Frowick promised to make efforts to stop hatred and intolerance being spread through the media. The way to accomplish this are the elections, which, as he said, was for the time being the most important task of the Organization for Security and Cooperation in Europe on the Bosnia-Herzegovina territory.

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Krajisnik Expresses Hope

LD3012211495 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 30 Dec 95

[FBIS Translated Excerpt] Momcilo Krajisnik, the president of the People's Assembly of the [Bosnian] Serb Republic, held talks in Pale today with a three-member OSCE [Organization for Security and Cooperation in Europe] delegation headed by U.S. OSCE Ambassador Robert Frowick. They discussed the annexes to the Dayton agreement referring to elections, human rights, and the normalization of civilian life.

Serb Republic Foreign Minister Aleksa Buha discussed the same topics with the OSCE delegation. The Serb side informed the OSCE delegation about the Serb Republic's stances, again insisting on the equal treatment of both entities and stressing that this problem—the definition of which in the Dayton agreement offers itself to different interpretations—should be addressed with a lot of effort and understanding.

The implementation of the peace agreement from Dayton and Paris, especially the annexes referring to elections, human rights, and the normalization of civilian life, were discussed at the meeting. This was an opportunity for the U.S. ambassador to the OSCE to be informed about the shortcomings of the Dayton peace agreement and problems encountered in its implementation. The Serb side demanded at this meeting again that the same criteria should be used in dealings with all sides.

[Begin Krajisnik recording] His Excellency Ambassador Robert Frowick visited our republic as he wanted to learn more about the problems of human rights and the upcoming elections. He was interested in other issues, too. We informed his excellency about all current issues in great detail and asked him to pass on our stances and views on the situation here both to his own country and to the institution he represents. I can say that he showed great understanding, and I hope that we will overcome the current problems because that will benefit all of us and ensure the best possible implementation of the Dayton agreement. [passage omitted]

Before this meeting, the same delegation was received by Serb Foreign Minister Aleksa Buha and his deputy Radomir Lukic. Minister Buha expressed the hope that cooperation will continue in a satisfactory way. Problems that could threaten the implementation of the Dayton peace agreement were pointed out.

[Begin Buha recording] We pointed out the complexity of the problem and the ambiguity of the annex on the elections. We also reiterated the problems and difficulties that have already appeared concerning the annex on the normalization of civilian life.

Let me say that at the last moment an addition was made [to the Dayton agreement], which deals in a different way with what had already been agreed regarding the size of armed forces and materiel in the territory of Bosnia-Herzegovina. The original agreement was to have 1:1 ratio between the [Muslim-Croat] federation and the Serb Republic, but at the last moment someone added the text that envisages the 2:1 ratio to the federation's advantage. [end recording]

The OSCE delegation was told about the necessity of receiving technical assistance from the international community in order to ensure a democratic election campaign. It was recalled that the Serb Republic's information system was destroyed in the NATO air force bombing.

OSCE's Gyarmati Meets Buha in Pale

LD2912172495 Belgrade SRNA in Serbo-Croatian 1519 GMT 29 Dec 95

[FBIS Translated Text] Sarajevo, 29 Dec (SRNA)—Aleksa Buha, the foreign minister in the Bosnian Serb Republic Government, received a three-member Organization for Security and Cooperation in Europe [OSCE] delegation in Pale today. They discussed the implementation of the military annex to the Dayton peace agreement on former Bosnia-Herzegovina.

The head of the OSCE delegation, Hungarian Ambassador at the OSCE Istvan Gyarmati, expressed his satisfaction with the outcome of today's talks, which were held as part of the preparations for resuming the negotiations on former Bosnia-Herzegovina, scheduled to take place on 4 January in Vienna.

According to Gyarmati, "at the meeting today the Serb Republic promised to carry out two specific provisions from the Dayton agreement—to exchange information on armed forces and materiel with the opposing side and to send a liaison officer to the other side."

Minister Buha explained that the Serb Republic representatives discussed with the OSCE delegation the annex to the Dayton agreement, which "addresses the problems of creating trust and stability within the union of the Serb Republic and the Bosnia-Herzegovina Federation, primarily in respect of the military situation, or rather, the number of soldiers and weapons. This annex envisages a reduction in military contingents and armament control," the Serb Republic foreign minister added.

According to Buha, it was agreed at the meeting today to discuss the issue of exchanging liaison officers

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and information on armed forces and materiel in the union of the Serb Republic and the Bosnia-Herzegovina Federation at the meeting in Vienna on 4 January.

The Serb Republic foreign minister predicted that the resumption of the talks, held under the auspices of the OSCE, would be very difficult, but he believes that "at the end a satisfactory solution will be found, from the point of view of both security in the region and the requests stemming from the Paris agreement."

In addition to Buha, the Serb Republic's interests were represented at the meeting by his deputy Radomir Lukic and Bosnian Serb army representatives General Zdravko Tolimir and Lieutenant Colonel Milenko Indjic.

In addition to Gyarmati, who represents the OSCE chairman in contacts with representatives of the union of the Serb Republic and the Bosnia-Herzegovina Federation, the OSCE delegation comprised Zoltan Nadj and Istvan Damjan.

The talks on former Bosnia-Herzegovina, held under the auspices of the OSCE, began on 18 December in Bonn and are due to end on 26 January next year.

Izetbegovic Discusses Peace Agreement, Amnesty

AU2912205095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Dec 95

[FBIS Translated Text] Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina, said in an interview to be carried in tomorrow's OSLOBODJENJE that even after the Bosnia-Herzegovina peace agreement, all of Bosnia does not represent a reality but still a possibility, and he expressed the hope that peace in Bosnia-Herzegovina will be a lasting one. The following are highlights from the interview:

Democratic Bosnia is part reality and part possibility. I do not believe that after all that has happened, they will dare attack us again, because when they did not manage to break us up in 1992, I do not see how they would manage it in the future. This is, among other things, why I believe that IFOR [Implementation Force] will succeed and that the present peace will become a lasting peace, President Izetbegovic said.

In reply to the question on what the chances are for mutual confidence being restored and how long one will still need to be able to speak of a multiethnic society on the entire territory of Bosnia-Herzegovina, the Bosnia-Herzegovina president said that this process will last. Somebody had said that it will take a shorter time to rebuild destroyed buildings and bridges over rivers than the bridges in people's souls. Unfortunately, this is true; the wounds are deep and may heal with much effort and good will, but scars will remain I fear for a long time, if not permanently, President Izetbegovic said.

Asked if amnesty is considered and perhaps planned for those people about whom one usually says that they did not bloody their hands and are currently on the occupied part of Sarajevo, the Bosnia-Herzegovina president said that this question has not been discussed, although it is obviously hanging in the air. I think that this can only be considered when the reintegration of the city is carried out. Of course, even then, the possible amnesty could apply to those people who did not commit open violence against their neighbors, President Izetbegovic said, among other things.

Sacirbegovic To Ask French About Deal With FRY

LD3112173695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 31 Dec 95

[FBIS Translated Text] In exchange for the release of its two pilots, France has promised support for the Federal Republic of Yugoslavia in its efforts to hold on to the status of the successor state to former Yugoslavia, it has been learned from Western diplomatic sources in Zagreb.

Considering the increasing number of similar reports from various sources on a secret French-Serbian agreement, the Bosnian Foreign Ministry will demand an explanation from the French Government—Bosnian Foreign Minister Muhamed Sacirbegovic said during his short stay in Zagreb. [passage indistinct]

Commentary Views Nation's Status as 'Protectorate'

AU3112200295 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 16 Dec 95 p 2

[Commentary by Ibrahim Prohic: "State or Protectorate"]

[FBIS Translated Text] Bosnia is not a protectorate in the formal and administrative sense, except in Mostar, but, in fact, it is a protectorate in most of the crucial spheres. If the essence of a protectorate is that foreign forces regulate or determine the vital state functions, then let us see how that looks in Bosnia.

The end of the war and the implementation of the peace agreement are secured by foreign troops. The solution from Dayton is like a full stop that has been put on the war because of the exhaustion of its protagonists, because of the balance on the front lines, because Bosnia is a part of a complex conflict in the Balkans, and, of course, because of the strength of the Army of Bosnia-Herzegovina. But it is NATO which guarantees that the full stop will not be transformed into a comma.

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The mechanism of the realization of the agreement has been defined. Technical details have for months been prepared by military experts in Washington and Brussels. That shows a clear political will for the war to be ended.

The civilian issues of the Dayton project have been entrusted to Carl Bildt, coordinator, or, as others would formulate it, governor, which indirectly speaks of the authority and supports the thesis of protectorate.

The EU has been given some space in the economic recovery of Bosnia; the IMF and the World Bank are directly superior to the Government of Bosnia-Herzegovina. Bosnia has been given no possibility of choosing the model of its economic development, and the process of 'globalization' in the world economy implies the integration of capital. The critical point could be the conflict of interests of the western capital and the social problems in Bosnia [sentence as published]. It will be hard to develop the country, to build its economic independence, and, at the same time, to be integrated in the world flow of capital.

The German ambassador's speech in the federal parliament, although benevolent, had an implicit message: We are here. The sponsorship over the federation has never been disputable, but the increased readiness of the main actors (Party of Democratic Action [SDA] and Croatian Democratic Community [HDZ]) for its implementation could be a result of the firm attitude abroad.

The UN High Commissioner for Refugees [UNHCR] is responsible for the most complex task, that of the return of exiled people. Bosnia will need a lot of skill, good organization, and decisiveness to make it more than a service for the international aspect in this field [sentence as published].

The OSCE should prepare, supervise, and conduct elections in nine months. It is a very delicate task with far-reaching consequences, and its realization depends on the return of refugees, on how Bosanians staying abroad at that time will be included in the elections, and on the creation of the minimum conditions for a democratic procedure (elimination from the political life of those accused of war crimes, party pluralism, freedom of the media). Bosnia has the possibility of securing those conditions at least within the federation. The elections of 1996 can determine the character of the regime and the society, and for the reintegration of Bosnia-Herzegovina, it is necessary that the federation show not only economic superiority, but also democratic attraction, which could successfully counter the Chetnik indoctrination, present for years in the Serb entity.

The Army of Bosnia-Herzegovina, or the army of the federation, as one of the key moments of the American project for Bosnia, depends very much on the international aspect, in the first place with the United States. This relates to weapons, training the Bosnians to use the new weapons, and probably also defining strategy and the global defense system. While there are now some "test" ideas in Serbia on joining the "Partnership for Peace" program, the indications that the air base near Tuzla will remain a U.S. military base for a longer period seem realistic. Bosnia-Herzegovina must not allow itself, in getting tied to the strongest military structure, to be outrun by those who until this day have had no such chance—regardless of how this can be understood in the context of the protectorate topic.

When all that has been said is added up, the claim that has been made at the beginning is indisputable. Having in mind the course of the crisis on the territory of the former Yugoslavia, the relationship among the key factors, and the present situation, we can only regret that the protectorate was not introduced five or at least two or three years ago. Every year would have spared the lives of several tens of thousands of victims, would have spared us the suffering, and would have meant an earlier beginnning of reconstruction. After all, without the protectorate it is not possible to implement the Dayton agreement. Therefore, the real question is not: Protectorate—yes or no. The real question is: Until when, and how, we should pass from protectorate to state in the time given and in the existing circumstances.

Principally, there two directions for action: Within Bosnia and toward the international sphere. On the domestic level, from the "two entities which are a reality" (Jadranko Prlic [federation official]) we should form the federation in its full strength, we should display a global supremacy and attraction in comparison to the other part of Bosnia-Herzegovina, we should find a flexible solution for the Serb issue within the federation, and open communication with the other (Serb) entity.

Bosnia is dependant on those who have made peace possible, but it must not be sympathetic or passive. Reality cannot be neglected, but we must not forget the future of Bosnia, which can be secured only through its independence. Therefore what is necessary is the creation of a social ideal, which would be a road sign. We should have a vision. If, in the coming year, Bosnia does not pass from protectorate to state, it will be on the verge of a new war, or of a long-lasting 'Cyprusization.'

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Implications of Accord for Army, Refugees in Tuzla

AU3112144695 Sarajevo LJILJAN in Serbo-Croatian 13 Dec 95 p 4

[Article by Alosman Husejnovic: "Are 13,000 Serbs Returning to Their Homes in Tuzla Under the Protection of International Forces, While the Exiled People From the Drina Area Are Being Thrown Out on the Streets?"]

[FBIS Translated Text] The flu epidemic that has spread in Tuzla in the last few days has by no means [slackened] the intensity and effect of the IFOR [Implementation Force] fever coming from Dayton, the peace operation which officially started last Wednesday (6 December) in Tuzla with the landing of the U.S. Air Force transportation plane, the Hercules C-130, at the Dubrave airport.

Besides reserved attitudes, and people's disagreement with the borrowed peace ("Alija [Izetbegovic] fought only for Sarajevo, and we, the people from the Drina and from Posavina, have lost"), the opposition parties' winning of political points by criticizing the Dayton results (the gathering of the Socialist Democrat Party [SDP] on the free territories of Brcko), proper tectonic quakes have been caused by the announcement of the return of 13,000 Serbs to Tuzla, momentarily inhabiting Bijeljina and other towns of Semberija and Posavina. These announcements are confirmed in the military security service of the 2d Corps of the Bosnia-Herzegovina Army, based on the information from their intelligence. This possibility has been received with visible bitterness in Tuzla. The fact that the terrain is being prepared for that can be seen in the work of the municipal secretariat for town-planning and housing, which has already declared null the temporary court decisions about the use of apartments [by refugees], throwing thousands of expelled people from Podrinje on the street. The requests and contracts from last year for the exchange of houses and apartments between Bijeljina and Tuzla have been legalized, just like the various authorizations of the Serbs (former citizens of Tuzla) who are momentarily in Germany and so on; all of which leaves the unprotected exiles literally on the street.

Bosnia Under a Protectorate

Many people in Tuzla fear the revolt of tens of thousands of exiles who have found refuge in this city and who have still not been addressed by any of the state officials or guaranteed the elementary right to a dignified life. The announcements of the big Serb "return" to Tuzla—a city that is a territorial bite Belgrade has never overcome—probably mark the beginning of the second half of the post-Dayton marathon struggle without weapons, between the Greater Serb imperialism and the hopes of the Bosnian Government in the reintegration of Bosnia-Herzegovina. According to the plan of the IFOR peace action, the withdrawal of the military forces of the "parties to the conflict" (two kilometers each during the first 30 days), creates an area of four kilometers of a completely demilitarized land in which IFOR should guarantee safety to the population of the federation and of the Serb entity. The Bosnian authorities of the municipality of Brcko have already announced the settling of Brcko inhabitants who were exiled from those Brcko suburbs which will now be included in the four kilometers of demilitarized land. In the same way, if IFOR guarantees safety to people, Mount Majevica would actually be cleansed of Chetniks (the Bosnia-Herzegovina Army controls around 80 percent of this mountain). On the other hand, the first fears have appeared among the Bosniak population, for example in Gornja Tuzla and surrounding places from which the forces of the Bosnian Army would have to withdraw (because this area is included in the two-kilometer zone). The seriousness of the behavior of IFOR in the hardest part of implementing the peace mission is what the hope for the gradual reintegration of Bosnia, even under the guns and tanks of IFOR, depends on.

"These soldiers should not be joked with," the U.S. general who leads the IFOR advance troops said in Tuzla. This attitude repeated too many times has in the last few days underlined the huge authority of IFOR in its raw mission in our country. If every military and civilian flight, or every transportation of troops, must be announced to the IFOR commander, and all active and reserve forces of the Bosnia-Herzegovina Army be registered in their own records, then that is a classical protectorate. Would that mean tying the hands of the Bosnia-Herzegovina Army in actions, for example against runaway Chetniks hiding in the forests of Mount Ozren or Grmec, in the brilliant actions of the 2d and the 5th Corps of the Bosnia-Herzegovina Army? Thus, a group of Chetniks appeared recently not far from Lukavac and nearly killed several soldiers of the Bosnia-Herzegovina Army; and there is an even bigger problem with the Chetniks from Grmec who have remained deep behind the liberators from the 5th Corps. A similar problem rises concerning the possible appearance of terrorism, or attempts to obstruct the peace plan, which, with IFOR's control of the distribution of the forces of the Bosnia-Herzegovina Army and of their transportation, represents a serious problem for the commands of the Bosnian Army.

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The War of Video Games

The advance troops of the U.S. contingent of IFOR have already prepared a system of telecommunications. Together with all comfort, U.S. Marines will also be provided with e-mail connections with their homes and families, and so on. One of the numerous questions of U.S. journalists posed to people on the streets of Tuzla has been: "How will you react when the Americans get all the girls in your city?!" A group of proud boys from Tuzla tried to retain their composure: "We are better mates for our girls!"

As for the news that 20,000 Marines spend a million German marks a day, the mayor of Tuzla, Selim Beslagic, takes care to provide enough suppliers for the Americans to spend that million, which many private entrepreneurs already look forward to. The behavior of U.S. troops in the peace mission in Bosnia is reminiscent of a proper little war of video games. [The efforts to] familiarize the marines at the Ramstein military base in Germany with the customs and traditions of the local population (Protestant priests have already arrived as well) and their endeavors to avoid any possible misunderstandings with the local people (like the difference between greeting each other with two or three raised fingers) [can be seen as] promises that IFOR will by no means be colored with the McKenzie-like or Rose-like color of the UNPROFOR [UN Protection Force] clown.

[Box, p 4]

Camps in Serbia Exist!

Camps in which Croats (ever since the fall of Vukovar) and Bosniaks from Podrinje, Bosanska Krajina, and Posavina are detained definitely exist in Serbia. One of them is situated not far from Uzice. Around 500 men from Srebrenica who went to Serbia after the fall of the enclave, or were brought there later, are kept in this camp. A few days ago, Nazim Krilic (Krusev Dol near Srebrenica), 52 years of age, died in this camp. Western intelligence agencies possess data on thousands of Bosniaks and Croats being kept in the pits of the Aleksinac and Bor mines, and in a special center in the Deliblatska Pescara, in an area which is under the strict control of the Army of Yugoslavia, as army training grounds. The West has taken no steps up to now; it has not confirmed and published that information to be able to use it as a means of pressure against Milosevic. That, among other things, is one of the reasons for his sudden readiness to cooperate in the negotiating process.

Government To Discuss Port of Ploce With Matesa

LD3012235395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2300 GMT 30 Dec 95

[FBIS Translated Excerpt] At a session held yesterday [30 December], the government of the Republic and the Federation of Bosnia-Herzegovina drew up a list of tasks relevant ministries need to carry out in connection with the forthcoming visit by a delegation of the Croatian Government, which will be headed by Prime Minister Zlatko Matesa. The visit will take place in early January.

The government decided that the relevant ministries should suggest the discussion of issues referring to the conclusion of bilateral agreements with the Republic of Croatia, with a special stress on issues concerning the port of Ploce, rail and road traffic, visas, and the return of refugees. [passage omitted]

The government yesterday decided that the Republic of Bosnia-Herzegovina would join the Intelsat international satellite and telecommunications organization, and authorized the minister of transport and communications to sign the agreement on membership. [passage omitted]

Tudjman, Izetbegovic To Attend Council Session

LD3012151295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 30 Dec 95

[FBIS Translated Excerpt] It has been learned from diplomatic sources in Zagreb that a constitutive session of the council for cooperation between the Republic and Federation of Bosnia-Herzegovina and the Republic of Croatia is due to be held in the presence of Alija Izetbegovic, the president of the Presidency of Bosnia-Herzegovina; and Franjo Tudjman, the president of the Republic of Croatia, in Sarajevo on 4 January.

Muhamed Sacirbegovic, the foreign minister of the Republic and Federation of Bosnia-Herzegovina, confirmed this in his statement for Bosnia-Herzegovina radio and television at Zagreb airport today.

Nada al-Isa reports from Zagreb:

[al-Isa] Croatian President Franjo Tudjman and Foreign Minister Mate Granic are due to come to Sarajevo to attend the constitutive session of the council for cooperation between the Republic and Federation of Bosnia-Herzegovina and the Republic of Croatia.

President Tudjman is expected—as it was agreed earlier—to be elected chairman and the president of the Presidency of Bosnia-Herzegovina; and Alija Izetbegovic elected deputy chairman of the council for cooperation between the Republic and Federation

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of Bosnia-Herzegovina and Croatia. As it is known, the formation of the council was agreed within the framework of the Dayton agreement and was signed in Paris. [passage omitted]

The agreement on the cooperation council sets out realms of cooperation between the Republic of Bosnia-Herzegovina and Croatia and between the federation and Croatia. The Republic of Bosnia-Herzegovina will coordinate foreign policy, defense policy, and approaches to third countries with Croatia through the cooperation council. The federation will cooperate with Croatia in the field of, for instance, culture, economy, roads, and the like.

Four Federation Ministries To Be Based in Mostar

LD2912181895 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 29 Dec 95

[FBIS Translated Text] According to the law on federal ministries, which was approved at the last meeting of the constituent assembly of the Bosnia-Herzegovina Federation, the Ministries of Trade; Transport and Communications; Energy and Industry; and Education, Science, Culture, and Sport should be based in Mostar.

(Safet Tasic), secretary general of the Government and Federation of Bosnia-Herzegovina, said that these ministries would take on a certain number of officials from ministries currently based in Sarajevo. Tasic said he was sure that those officials who did not want to relocate to Mostar would not automatically be fired.

Relations Between Muslims, Croats in Mostar

No Agreement on Statute

AU2912160595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 29 Dec 95

[FBIS Translated Text] At today's regular news conference on the Mostar statute, EU Administrator Hans Koschnick said the following: We have not found a common ground regarding the borders of the future six municipalities in Mostar. Mirsad Behram has the details:

[Behram] According to Koschnick, both mayors, Safet Orucevic and Mijo Brajkovic, are of the opinion that the statute proposal offered by the EU is on the line of the Dayton accord. There is also concurrence about the decree on local elections. However, the EU Mostar administrator says that there is no agreement on the borders of the future six municipalities. According to him, the Croat side is of the opinion that the present separation line should be the border between the three Croat and three Bosniak municipalities in the city. The Bosniak side, on the other hand, points out that the current separation line is the result of the war.

The EU administrator informed the correspondents today that he had also talked about the matter with Kresimir Zubak and Ejup Ganic, president and vice president of the federation respectively. Mr. Zubak's opinion is that the issue of separation of the future six municipalities should be solved within the city.

As the Dayton deadline for the Mostar statute, 31 December, cannot be respected, Koschnick said that he will inform all signatories of the Dayton accord about the current situation.

In reply to the correspondents' question, the EU administrator expressed the stand that a common district should be set in Mostar in which the planned federal institutions should be situated, and the rest of the city should be organized into six municipalities.

At today's news conference, Koschnick also touched upon the shooting during the Christmas holidays. Unlike last year, this year shots were fired from the western side on the eastern part of the city, Koschnick said. He told the correspondents that one of the targets was a mosque in northern Mostar. It was hit by several gun bullets. The administrator condemned shooting on religious buildings.

Mosque Hit by Sniper Fire

LD2912220295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 29 Dec 95

[FBIS Translated Text] Sniper shots were fired from the western part of Mostar, hitting a mosque in Sjeverni Logor in the eastern part of the town on the night of 24 December this year. The following night, on 25 December, the same mosque came under fire again.

The Mostar mufti's office has informed Reis-ul-Ulema Mustafa Efendija Ceric that it lodged a protest over these provocations with Hans Koschnick, the EU administrator of Mostar, Mayors Safet Orucevic of the Muslim part of Mostar and Mijo Brajkovic of the Croat part of Mostar, and Monsignor Ratko Peric, bishop of Mostar-Duvno. The mufti's office requested that an investigation should be launched into these latest provocations and an answer given to the question: Why the Muslims in the part of Mostar under Croat control cannot exercise their religious rights, even after the Dayton agreement, but are on the contrary, as this example shows, the target of attacks by the Croat authorities in Mostar.

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One Person Killed in Shooting

LD0101184096 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 1 Jan 96

[FBIS Translated Text] Let us first hear a statement issued by the Mostar police station:

At around 0455 this morning, two white cars, a Golf and a Lada, drove down the Cekrk Ero road from the direction of the Boulevard. A police patrol tried to stop them near the Ero Hotel but the drivers refused and sped away towards Center 2 [central Mostar district] after opening fire.

Mostar police patrols unsuccessfully tried to stop them on several locations, and at around 0510, the cars again drove through the town center toward the Ero Hotel. Shooting was heard again as they passed through Center 2. A group of policemen who tried to stop them came under submachinegun fire. The driver of the Golf tried to run over a policeman who tried to stop him and the cars drove away toward Hit [department store].

After coming under fire, policemen fired several warning shots in order to scare the attackers and to stop them. However, the drivers sped away again. There were no casualties among the policemen and only one of them damaged his uniform as he was trying to avoid being hit by the the cars.

At around 0900, the West European Union [WEU] police informed the police station in Mostar that a person had been seriously wounded by shots fired near the Ero Hotel and later died from the wounds. The WEU police did not ask the police station in Mostar to conduct an investigation or undertake any measures.

Muslims Accused of Expelling Croats From Bugojno

LD3012192995 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 30 Dec 95

[FBIS Translated Text] Several Croat families have contacted us, saying that the Muslim authorities intend to expel them from their homes, the latest, confirmed reports from Bugojno [central Bosnia] indicate.

The relevant housing authority in Bugojno has adopted a number of measures according to which several Croat families, mainly older people, are ordered to move out of their homes within three days. Every day officials from the housing authority visit the homes of these families, take down details and hand out orders to move out. All this is being done under the auspices of the Muslim leaders such as Dzevad Mlaco, Mesa Duvnjak, Dursum, and others.

Expelled families from Bugojno have reported this to ombudsmen, the Implementation Force police, local authorities in Mostar, and top officials of the EU administration in Mostar. Such acts of the Muslim leaders in Bugojno are clearly not in the spirit of the latest peace efforts, especially those relating to the return of displaced persons and the establishment of the Bosnia-Herzegovina Federation.

Muslims Demonstrate Against Croats in Sarajevo

LD0101182096 Belgrade SRNA in Serbo-Croatian 2304 GMT 30 Dec 95

[FBIS Translated Text] Sarajevo, 30 Dec (SRNA)—The Christmas mass at the Catholic cathedral in the town center of the Muslim part of Sarajevo on the night of 24-25 December was marked by a grave incident in which the remaining Croat population was clearly told that it had no future in the city, SRNA has learned from reliable sources in Muslim Sarajevo.

During the Christmas mass celebrated by Cardinal Vinko Puljic, dozens of young Muslims gathered outside the cathedral and chanted "Allah Akbar," "Out with Croats," and other slogans said to have "insulted Croat ethnic and religious feelings."

The incident was passively observed by Muslim policemen deployed outside the cathedral.

According to the same source, "Cardinal Puljic has demanded a public apology from the Muslim authorities, but he still has not received a reply" and now it is the turn of Serbs living in the Muslim part of the city, because the Muslims are preparing even more serious incidents and blackmail for the forthcoming [Orthodox] Christmas.

"If the pressure and threats continue, Sarajevo will become Tehran and there will be no Croats left to celebrate the next Christmas," the source said.

Tension Between Croats, Serbs Over Posavina

Goals of New Movement Presented

AU0101204996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Jan 96

[FBIS Translated Text] A pan-Croatian, nonparty, nongovernmental, and informal group for the realization of a just peace in Bosnia-Herzegovina was formed in Zagreb just before the end of 1995 at the initiative of several public personalities, politicians, and other interested people. The group is headed, among others, by Dr. Zvonimir Separovic, Fra Ivan Bubalo, Iko Stanic, Dr. Anto Matkovic, Martin Spegelj, Dr. Anto Kovacevic, (?Tomislav Guljan), and others.

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The objective of this group is the work for the preservation of an integral Bosnia-Herzegovina, creation of a true federation of Croats and the Bosniaks, the preservation of the Bosnia-Herzegovina borders, protection of all human rights, the return of people to their homes, and the bringing to justice of all war criminals.

The group will be especially active for the reinforcement of the awareness about the tragic consequences and implications of the unjust peace from Dayton and Paris, the portrayal of the great suffering of the Croats in Bosnia-Herzegovina, and the preservation of their national interests.

The people from the group's initiative committee believe that not everything has been completed in the peace process yet and they will strive to correct, as they say, the high treason of the Bosnian Posavina by the Croatian leadership.

One of the demands of this organization is also the speediest possible organization of the second congress of the Croats in Bosnia-Herzegovina, which should take place in Sarajevo. The executive committee of the group will inform the public about these and some other views at the news conference in Zagreb tomorrow.

Serb Army Reports Heavy Fire

LD3012143495 Belgrade TANJUG in English 1406 GMT 30 Dec 95

["Pool" item]

[FBIS Transcribed Text] Banja Luka, Dec 30 (TANJUG)—Regular Croatian Army and Croat Defense Council (HVO-Bosnian Croat Forces) infantry opened heavy fire Friday evening in the Krepsic area in Posavina, north-eastern Bosnia-Herzegovina, the press service of Republika Srpska Army (VRS) General Headquarters announced Saturday in a statement.

Bosnian Serb Army did not return fire, but its command addressed a strong protest note to the command of the peace Implementation Force (IFOR).

Calm prevailed at other front lines between Republika Srpska (Bosnian Serb State) and the Muslim-Croat federation, the press service said.

Disappearance of Muslims on Ilidza Road Reported

Government Blames Serb 'Terrorists'

AU0101193496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Jan 96

[FBIS Translated Text] The biggest problem in the implementation of the Dayton Accord following the separation of the military units could be Serbian terrorism, Minister Hasan Muratovic [minister without portfolio in charge of liaison with the United Nations] stated for BBC Television today.

Over the past seven days, 11 people have disappeared on the Ilidza road. The Serbian terrorists captured these people, seized their vehicles and all their belongings, and took them to an unknown destination. The role of IFOR [Implementation Force] in the combat against terrorism is not defined and Minister Muratovic thus emphasized the need for this obligation also to be defined as their duty.

The Government of the Republic and the Federation of Bosnia-Herzegovina has sought from IFOR on three occasions to negotiate with Karadzic's terrorists for the unconditional liberation of 11 captured persons who had disappeared on the Ilidza road to Sarajevo, B-H PRESS has learned in the cabinet of Minister Muratovic. The government might pass a decree banning traffic on the road via Ilidza until the unconditional liberation of all hostages and until IFOR safeguards security on the road, Dr. Muratovic said. According to Muratovic, this would be a step backward in the implementation of the Dayton Accord. However, the government simply does not see any other way of solving this problem.

Army: IFOR Escort Needed

AU0101193696 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Jan 96

[Statement by the command of the Bosnia-Herzegovina Army 1st Corps]

[FBIS Translated Text] The Dayton Accord envisaged absolute freedom of movement for IFOR [Implementation Force] members throughout Bosnia-Herzegovina, which has been secured in the process of the peace plan implementation up to now. At the same time, IFOR should have also safeguarded complete freedom of movement on the road to Gorazde and on the roads which via Ilidza and Hadzici lead to Tarcin and Kiseljak, which so far has not been the case without IFOR escort.

Acting in the spirit of the Dayton Accord, residents of Sarajevo over the past few days tried to pass through the territory under the temporary control of Karadzic's Serbs unhindered and even without IFOR escort, but in the process they encountered some problems. From 20 December 1995 until today, several of our residents have been harassed and detained, together with their vehicles. Simultaneously, several cases of plundering of the passengers on these roads have been registered.

On this occasion, we warn the residents of Sarajevo and the remaining parts of the Federation that they should not travel on the road that leads from Sarajevo, via Ilidza

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and Hadzici, to Tarcin, and via Kobiljaca to Kiseljak without IFOR escort.

According to the Dayton Accord, complete freedom of movement on these roads will only be possible after 20 January, of which the residents of Bosnia-Herzegovina will be informed in due time, the Information Service of the 1st Corps states.

UN Confirms Civilians 'Missing'

AU0201091996 Paris AFP in English 0902 GMT 2 Jan 96

[FBIS Transcribed Text] Sarajevo, Jan 2 (AFP)—Seven Bosnian civilians are missing after taking a road through a Serb-held suburb of Sarajevo, an official with the UN civilian police force in the capital said Tuesday [2 January].

"We can confirm that seven people are missing. Four of them since 25th December and three of them since 27th December," Colonel Vladimir Ribnikov, chief of the UN civilian police force in Sarajevo told AFP.

Serb Militias Admit Abductions

LD0201150796 Rome RAI Televideo Teletext in Italian 1400 GMT 2 Jan 96

[FBIS Translated Text] Bosnian Serb militiamen have admitted to taking captive seven Muslim civilians who were crossing the Serbian quarter of Ilidza, Sarajevo.

This was announced by Ribnikov, head of the UN civilian police force in the Bosnian capital.

The Bosnian Government co mplained about the abduction of 14 people, in violati.n of the principle of free movement established in the peace accords. The Implementation Force [IFOR] has specified that it is not a police force and that these events must be resolved by the civil authorities.

Koljevic, Kasagic View Talks With Admiral Smith

AU2912211695 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 29 Dec 95

[Report by Zorica Lolic]

[FBIS Translated Text] The deputy president of the Serb Republic, Dr. Nikola Koljevic, and the president of the Banja Luka municipal assembly, Predrag Radic, talked to the commander of the NATO forces in the Union of the Serb Republic and the Bosnia-Herzegovina Federation, Admiral Leighton Smith, about the deployment of his troops in the Banja Luka area. Zorica Lolic has prepared a report.

[Lolic] The commander of the international forces for the implementation of the peace agreement in the Union of the Serb Republic and the Bosnia-Herzegovina Federation, Adm. Leighton Smith, had two separate meetings during his short visit to Banja Luka today. He first met with Deputy President Nikola Koljevic and the president of the Banja Luka municipal assembly, Predrag Radic, and then with Prime Minister Rajko Kasagic. The commander of the troops of the United Kingdom, British General Michael Jackson, also attended the first meeting.

After the meetings, the following statements were issued:

[Adm. Smith, in English with superimposed translation into Serbo-Croatian] We had a very good discussion with the deputy president and the mayor of Banja Luka. Gen. Jackson talked about some of the details of the peace agreement. We discussed the potential location of his headquarters. We are satisfied with our visit to Banja Luka. Thank you for your interest.

[Lolic] The president of the Banja Luka Municipal Assembly, Predrag Radic, stated that the talks concerned the location of the first unit that is to arrive to Banja Luka. Radic added that Adm. Smith and Gen. Jackson expressed satisfaction with the cooperation between the advance troops and the local people.

[Begin Radic recording] What is particularly important is that [words indistinct] stated that these problems will be resolved exclusively through agreements and the kind of relations we have had so far.

I must say that we had some things straightened out—it is not in their interest to enter the facilities of factories that will later [changes thought] that are supposed to start operating, but rather the facilities that we can provide. We have already found the solution for the first unit; they are satisfied, and so are we. [end recording]

[Lolic] At issue are the facilities of the (?Unis) factory.

The deputy president of the Serb Republic, Dr. Nikola Koljevic, said that the results of both meetings were good. He announced the arrival of the international community's high commissioner [as heard] for Bosnia-Herzegovina, Mr. Carl Bildt, which is scheduled for early next week, and the goal of which is to resolve the problem of Serb Sarajevo, the safety of the people of which IFOR [Implementation Force] will secure, as soon as possible. IFOR will also try to have the area of Mrkonjic Grad and Sipovo clear of mines as soon as possible.

[Begin Koljevic recording] The results are indeed encouraging—first of all, incidents were minimal; secondly, they confirmed that they will cooperate fully with the Army of the Serb Republic and the civilian

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bodies, that is, that they have not come as an occupying force, which they particularly insisted on. Moreover, they accepted our suggestions regarding the end to the media war, regarding the explaining of their function to the people here—since, as you know, most of the people are understandably concerned and they fear [words indistinct] this occupying element—they even want to establish a special radio station in Banja Luka in addition to the one they established in Sarajevo. Our government will consider the latter; I think it is a very good idea, as was the idea on our side to organize a special program for them.

I had the chance to tell them that the competition—if we may call it competition—that existed between the Serbs, Croats, and Muslims during the war, and in which military means were employed, will be continued soon by peaceful means. As far as military skills are concerned, we did not score too badly. To my knowledge [words indistinct] in peace skills in this competition.

[Lolic] Was there anything specific stated at this meeting about the Serb refugees?

[Koljevic] The specific things were the discussions of clearing of area around Mrkonjic [Grad] and Sipovo of mines soon; they specifically said that the area is uninhabited at present and that this was their first task. We told them it would be good if they were to do so before the deadline, since this condition would not only be important for our refugees as far as the prospect of repairing the housing units soon is concerned, [words indistinct] but it would also have a symbolic meaning—it would mean that it is also possible in other areas for the work to be carried out faster than expected. As far as details and arrangements are concerned, Prime Minister Kasagic talked to [words indistinct] (?yesterday).

[Lolic] Mr. Kasagic, what details were those?

[Kasagic] We [words indistinct] for Serb Sarajevo. It is a great problem; I mentioned this problem to Mr. Smith today. I told him that if the implementation of the agreement for Serb Sarajevo extends for a longer period and [words indistinct] conditions created, the Serbs who want to stay can stay and [passage indistinct] that the moving out take place at some calmer, warmer time [passage indistinct].

(?I) will discuss this issue with Mr. Carl Bildt. We expect that the world will understand this problem of ours and make it possible for the people move out within a calm, [word indistinct] period.

At this time, we need for Serb Sarajevo [words indistinct], which is the minimum [words indistinct] who could wait for a longer time [words indistinct] and so on.

[Lolic] Who is providing guarantees for the safety of the Serbs until they leave the city?

[Kasagic] Only the Serb army. There is no one else. The French army in that area has not provided any guarantees. However, the Serbs do not trust anyone. Considering that they were cheated many times during this war, it is important that they (?stay). I believe that they should go the moment the Serb Army leaves. This is why we have demanded a special solution for Serb Sarajevo—everything else is separate; the problem of Serb Sarajevo is special.

[Lolic] What did Adm. Smith say to all this; what did he say today?

[Kasagic] He is not in charge of that; they believe that this is politics. He is in charge of the military aspect, and he is here to protect the safety of the people in all the areas. I believe that [words indistinct] be able to finish that part. However, everything else is politics, and it all has to be discussed with the president, Mr. Carl Bildt. [Words indistinct] in early January—in Banja Luka, I hope we will have the [word indistinct] for that, too, and if a more favorable solution is possible for Sarajevo, we will know by (?20) January. [end recording]

Karadzic Meets Head of Serbian Opposition Party

LD3012214895 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 30 Dec 95

[FBIS Translated Excerpt] Radovan Karadzic, the president of the Serb Republic, received Mirko Jovic, the chairman of the Serbian National Renewal [SNO], in Pale today. During brief talks, they discussed future cooperation between the two parties and the possibilities of the SNO providing assistance for the refugees and poverty-stricken population of the Serb Republic.

Vlado Vrkes, the executive secretary of the Serb Democratic Party [SDS], also held talks today with the SNO leader.

[Unidentified correspondent] Vlado Vrkes, the executive secretary of the Serb Democratic Party, held talks in Pale today with SNO Chairman Mirko Jovic about future cooperation between the two parties, with particular stress on the issue of assistance to the refugees and displaced persons in food, clothing, and footwear. [passage omitted]

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Mladic Salutes Serb Army as Guarantor of Survival

AU2912195495 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 28 Dec 95

[FBIS Translated Text] The commander of the General Staff of the Army of the Serb Republic, Lieutenant General Ratko Mladic, has issued a Christmas and New Year's statement, in which he says:

"We wish all the members of the army, the citizens of the Serb Republic and the FRY, members of the Orthodox faith, and all friends around the world a very happy New Year and Orthodox Christmas, which, after four difficult years of war, will find us in peace, wishing that the conditions for a stable and prosperous development of the Serb Republic and its union into an integral state of the Serb people in this region will be created as soon as possible, and wishing a peaceful and happy life to our citizens and a successful development of our army under the new conditions.

"In the defense and liberation war that was imposed on us, under exceptionally difficult conditions without [words indistinct], fighting the enemy who was many times stronger, including the most powerful part of the international community, the Army of the Serb Republic has defended the Serb people and most of the territory.

"With the signing of the peace agreement, the conditions were created for putting an end to the suffering and destruction in the region, and for the further struggle of the Serb people for sovereignty, statehood, and cultural, spiritual, and general development to continue in the diplomatic, political, economic, and other spheres of life in peace."

General Mladic's message also states:

"We are going to face many complex tasks in the year to come, the most important of which will be to reconstruct what has been destroyed, to preserve freedom and peace, and to prevent any surprise. The conditions for the actualization of the above will be particularly difficult. The [words indistinct] imposed on us demand more than they ever have that the entire Serb people be the maker of a happier future, but also demand a strong and invincible army as the guarantor of its survival in this region.

"We must never forget that our freedom was paid for with the lives of the best Serb sons. Their sacrifice imposes on us the permanent obligation to preserve the freedom and peace of the Serb people and all the citizens in the Serb Republic.

"May unity, tolerance, love, wisdom, and diligence be with us, and may the members of the army have all the courage, determination, and combat skills they need.

"Let us celebrate the Christmas and New Year holidays in accordance with the Orthodox tradition and civil customs, in individual happiness, family joy, and peace," says Lt. Gen. Mladic's statement.

General Milavanovic Sees Successful End to 1995

LD0101201896 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 1 Jan 96

[FBIS Translated Text] [Announcer] On the occasion of the New Year and [Orthodox] Christmas celebrations, the chief of the general staff of the Army of the [Bosnian] Serb Republic, Lieutenant Colonel General Manojlo Milovanovic, has sent a message of greetings to the Serb people.

[Milovanovic] I am again in the area of [western Bosnian] Krajina—for God knows which time in 1995—and I would like to use this opportunity to wish all the best in 1996 to, first, the Serb Republic Army troops and then to the people of Krajina. For our people, the year behind us was one of the most difficult of this war, the bloodiest one, indeed, but we can, nevertheless, say that the end of the year was successful for us. We have gained a state and, generally speaking, the Serb people have been defended, admittedly with a large number of refugees but at least they are alive.

Muslim Attacks on Serb Civilians in Sarajevo

LD3012230895 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 30 Dec 95

[FBIS Translated Excerpt] Soldiers of the Croatian Army and the HVO [Croatian Defense Council] have been opening strong fire from infantry weapons from the direction of Travnjak towards positions held by the Serb Republic army in the Krepsic area [near Brcko], the information service of the main headquarters of the Serb Republic army said today. Fortunately, there were no casualties among Serb soldiers.

The command of the Serb Republic army has lodged an energetic protest with the IFOR [Implementation Force] command over the attack and last night's serious incident in which the Muslim army opened fire on a bus transporting Serb civilians on the Ilidza-Lukavica road. The criminals were not satisfied with this and they fired two shells on Serb Hadzici [Sarajevo suburb] today.

This kind of behavior is a concrete and clear Muslim reply to questions posed by the world which is wondering why the Serbs from Serb Sarajevo do not want to accept Muslim authorities. Can those who shoot at civilians and at vehicles, at everything that is Serb, offer any security guarantees to anyone. Could the world really bring itself to believe that the Serbs would fall for

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empty Muslim rhetoric about living together after three years of war which was imposed on them?.

It is time for everyone to finally understand that the Serb people do not want to live together with the enemy at any price and that is why they will stay in their ancestral homes under their own Serb authorities.

[Unidentified correspondent] Opening fire on columns of Serb vehicles, stoning and provoking Serbs passing through the corridor across Sarajevo airport as well as causing incidents along separation lines are commonplace in Serb Sarajevo and the protagonists and organizers of all this are Muslim soldiers. It seems as if the multinational forces for the implementation of the Dayton agreement are not present in the area because not a single culprit has been apprehended. The Muslim added one more incident to this shameful list last night. They opened fire on a bus which was travelling from Belgrade to Ilidza and this happened in the Sarajevo airport zone controlled by IFOR forces. [passage omitted]

Serb Tanks Withdraw From Front Line Near Orasje

AU3012193395 Paris AFP in English 1902 GMT 30 Dec 95

[By Denis Barnett]

[FBIS Transcribed Excerpt] Lepnica, Bosnia-Hercegovina, Dec 30 (AFP)—Bosnian Serb tanks pulled back from frontline positions here Saturday in keeping with the Paris peace agreement and ahead of US Implementation force troops sent to uphold it.

Seven M-84 tanks lumbered onto the roadside from their camouflaged positions in this snow-covered hamlet five kilometres (three miles) from Orasje, the town on the south bank of the Sava river due to welcome thousands of US troops Sunday.

The Serb withdrawal complied with the terms of the Paris peace agreement under which Bosnia's former enemies each agreed to pull back their frontline positions by two kilometres (a mile).

Four of the tanks had been hidden in a snow-shrouded and apparently derelict roadside house, where Serb soldiers worked for over two hours in sub-zero temperatures to get their giant diesel engines started.

The Yugoslav-built tanks have been mostly stationary for much of the last two years as the frontline in this part of the Posavina corridor has remained stable, providing the Serbs with a vital link between their territory in northern and eastern Bosnia.

The US troops tasked with keeping the two sides apart, upholding the peace and guaranteeing freedom of movement, are due to stream into the war-shattered corridor on Sunday when a floating bridge over the rain-swollen Sava river is expected to be fixed into place. [passage omitted]

The only movement in this part of the corridor on Saturday were Serb and IFOR soldiers. As the tank column prepared to move out, a four-jeep column of British IFOR troops rolled past, but neither side saluted or otherwise acknowledged the other.

As the withdrawal continued throughout the afternoon, small knots of Serb troops tramped down the iced-up road, with Kalashnikov rifles and bedding slung over their shoulders.

Others rode on the backs of military trucks laden with breeze blocks and wood from dismantled dugouts and command posts, ready to reassemble them just two thousand metres further south.

The Serb troops were in relaxed mood. One, sporting a grey bandana under a black baseball cap with a winged skull motif, joked with photographers as he posed beside the red, blue and white flag of the Bosnian Serb republic.

The commander of the tank unit, from the Bosnian Serb 1st armoured corps based in Banja Luka, informed AFP reporters that they would not be allowed to follow the tanks to see where they were going.

Two kilometres further north, on the other side of an IFOR checkpoint set up before Christmas by a small advance party of US troops, Bosnian Croat (HVO) troops were also moving back. Two Croat soldiers were busy gathering up telephone wire used for one of their abandoned command posts.

The commander of the mainly-Moslem Bosnian Army 2nd Corps, General Sead Delic, said Thursday he wanted to see NATO forces actually deploying into separation zones that run through the region before he would order his forces to withdraw.

"Where they have set up checkpoints we have withdrawn our checkpoints," he said.

Serb Legal Expert Assesses 'Imposed' Constitution

AU2912200295 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 28 Dec 95

[Report by Marko Draganic]

[FBIS Translated Text] [Draganic] The Dayton agreement and the implementation of its constitutional and legal solutions were discussed at today's round table in Brcko, which was attended by many people from Brcko,

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public figures, and representatives of the army and civilian authorities—Professor Vladimir Lukic, Prof. Rajko Kuzmanovic, and Prof. Vitomir Popovic among others.

After introducing the people of Brcko to the constitutional principles, Prof. Kuzmanovic emphasized that it will be possible to implement this constitution only if both entities—the Serb Republic and the Muslim-Croat federation—accept its application in practice. Prof. Kuzmanovic, who is an expert in constitutional law, also said that lawyers will face many problems in studying this constitution, since, as he said, the constitution was imposed. Although we will have to implement this constitution, the most important thing is that we implement only what is definitely and precisely stated on paper; anything else can be implemented only if it complies with the interests of the Serb Republic, since, according to all the Dayton papers, the Serb Republic does have sovereignty, since it has its own territory, constitution, government, presidency, army, police, and parliament, said Prof. Kuzmanovic.

Prof. Kuzmanovic ended by saying that the Serb Republic is also to have outside [spoljni] sovereignty, since, according to the constitution, it can conclude special agreements with interested countries outside the future Bosnia-Herzegovina, but the future parliament of this state has to ratify that.

Serb Radio Reports on 28 Dec Government Session

AU2912200995 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 28 Dec 95

[FBIS Translated Text] Today, in Pale, the government of the Serb Republic considered the program for the implementation of the Dayton agreement in our republic. Goran Mihajlovic has prepared a report on that.

[Mihajlovic] Considering the obligation of the government within the framework of the implementation of the peace plan for the former Bosnia-Herzegovina, the ministries were ordered to draw up operative plans to be integrated in the government's operative plan as soon as possible. The position was also adopted that the government authority in relations with the IFOR [Implementation Force] be determined at the next Assembly session. It was decided that contracts on the use of the property of the Serb Republic by IFOR can only be concluded by the republican government. Within the obligations resulting from the Dayton peace agreement, the government members appointed Prime Minister Rajko Kasagic as a member of the coordination body at the joint civilian commission for Bosnia-Herzegovina that will be headed by Carl Bildt. Professor Branko Djeric was appointed as the representative of the Serb Republic in the joint commission for public corporations. The delegation consisting of Novak Kondic, minister of finance; Manojlo Coric, governor of the National Bank of the Serb Republic; and Slavisa Rakovic was appointed to negotiate with the World Bank.

The greatest part of today's discussion was devoted to the situation in Serb Sarajevo and the possibilities of finding a favorable solution for the future of the 140,000 Sarajevo Serbs. The government formed the committee for the implementation of the Dayton Agreement in Sarajevo, and it was decided that an urgent meeting should be organized between the government representatives and the members of the committee for the implementation of the peace agreement, the city assembly and executive committee, and all the Sarajevo municipalities. The need was emphasized to clearly define the state program for a favorable and comprehensive solution for the status of the Sarajevo Serbs in all the possible variants [as heard]. The government will promptly inform the citizens of the measures to be taken and the activities to be carried out.

The government devoted the second part of the session to the discussion of the material, technical, personnel and other conditions in which they operate. Moreover, a committee was formed that will draw up a new social program that is to make possible the care of the most deprived—the war orphans, families of the soldiers killed in the war, disabled war veterans, refugees, and old age pensioners—as well as to provide normal living conditions for them. The government also adopted Prof. Dragoslav Avramovic's Program II for economic and monetary reconstruction and its implementation on the territory of the Serb Republic.

In accordance with the decision of the president of the Serb Republic on abolishing the state of war, the government passed the decision according to which the working hours of the employees of the republican administration bodies, other republican bodies and organizations, and bodies of justice, are set for 0800 to 1600 [0700 and 1500 GMT] five working days a week and the first Saturday in each month.

The government informed the bodies, organizations, and the people that the state holidays in January are Christmas on 6, 7, and 8 January; the Republic Day on 9 January; New Year on 14 and 15 January; Epiphany on 19 January; and St. Sava's Day on 27 January. If a holiday collides with a nonworking day, it is not transferred to the following working day.

The government was informed that, due to sanctions and the inability of mazut tankers to cross the state border, the hospitals in Banja Luka and Prijedor, as well as the thermal plants in Gacko and Ugljevik, cannot operate normally. It was therefore decided that urgent measures

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should be taken to prevent any threat to the health and living conditions of all the citizens of the Serb Republic.

Opposition Leader Starts Newspaper in Banja Luka

LD2912221295 Belgrade TANJUG Domestic Service in Serbo-Croatian 2016 GMT 29 Dec 95

[FBIS Translated Text] Banja Luka, 29 Dec (TANJUG)—The newspaper NEZAVISNE NOVINE [INDEPENDENT NEWSPAPER] was launched in Banja Luka this evening. Its publisher and director is Mile Dodik, the chairman of the Club of Independent Deputies in the People's Assembly of the Bosnian Serb Republic.

Zeljko Kopanja, the editor in chief of NEZAVISNE NOVINE—until recently a correspondent at the state newspaper GLAS SRPSKI [SERB VOICE]—has said that the new paper's ambition is to make possible the publishing of views and opinions different from the "one track ones" that have been prevalent in the media so far.

The first issue of the newspaper carries interviews with the deputies who "have been relieved of their duties as deputies in the People's Assembly—Radoslav Brdjanin and Milan Trbojevic—and a letter by former interior minister Tomislav Kovac to his colleagues in the Serb Republic government, in which he made public a number of manipulations.

It also carries a statement by the Socialist Party of the Serb Republic on a Teslic priest who fired shots at an ox roasted on a spit to celebrate peace, as well as many other topics, referring primarily to relations between Krajina and Pale.

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Zagreb Accepts Regular Contact With Belgrade

AU3012183795 Paris AFP in English 1812 GMT 30 Dec 95

[FBIS Transcribed Text] Zagreb, Dec 30 (AFP)—Croatia has accepted a US proposal to engage in bilateral ministerial meetings with Belgrade, Foreign Minister Mate Granic said Saturday.

Granic said he would probably meet his counterpart for the rump Yugoslavia, Milan Milutinovic, in Belgrade within the next two weeks.

"We have accepted the US proposal ... and it is highly probable that I will head for the Yugoslav capital in the first half of January," he told the daily SLOBODNA DALMACIJA.

The rump state formed by Serbia and Montenegro was the principal support of Serb rebels who attempted to form a breakaway state on Croatian territory until the Croatian army swept through most of the rebel-held areas earlier this year.

Granic said the coming year would be devoted to "normalising relations" between Croatia and its neighbours and achieving Zagreb's integration into international bodies such as the Council of Europe and the Partnership for Peace.

Observing that 1995 had been a good year for Croatia, he said his country owed its "joint successes, military and diplomatic, to our capacity for choosing the best moment."

Apart from recovering most of the territory lost to Serb rebels in 1991 and securing a pledge on the return of the remaining territory in eastern Slavonia, Croatia has emerged as the main beneficiary of the Dayton accord on Bosnia, with its Bosnian Croat proteges securing control over areas to a significantly greater proportion than their population would normally justify.

Granic said the Dayton accords, signed earlier this month in Paris, could not have come about without the Croatian army operations which routed Serb separatists, changing the balance of power and "bringing (Serbian President Slobodan) Milosevic to the negotiating table."

He admitted however that outrages against some of the Croatian Serb population following the flight of up to 200,000 refugees had tarnished Croatia's image.

"We must condemn what happened after the reconquest of the occupied territories," he said. "A state's credibility depends on the quality of its respect for human rights."

The United Nations condemned several incidents of killing, pillage and torching of Serb homes, particularly following the lightning offensive in August which saw Croatian forces overrun the Krajina region in the southwest of the country.

U.S. Diplomat, Serb Leaders Discuss E. Slavonia

LD3012145695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1409 GMT 30 Dec 95

[FBIS Translated Text] Erdut, 30 Dec (Tanjug)—U.S. diplomat Jacques Klein said in Erdut today that in talks with representatives of the Srem-Baranja region, agreement had been reached on a common goal, namely that "all people living in this area, and those who were born there, have the right to their property, dignity, and to economic recovery."

Klein is expected to be appointed UN administrator in the Srem-Baranja region. In Erdut he had a meeting with members of the Serb delegation in the negotiations with Croatia, led by Milan Milovanovic.

The U.S. diplomat told journalists that he had come to the Srem-Baranja region on the orders of UN Secretary General Butrus Butrus-Ghali in order to analyze the situation. The Security Council is to use this analysis to help reach a decision on whether the United Nations should take over the administration of this part of the former Yugoslavia.

"I am supposed to submit a report to the Security Council next week. A decision on our mandate or on undertaking this operation by the United Nations should be made then," Klein added.

Milanovic said there was no discussion today of the details of the Serb-Croatian basic agreement but that the Serb side was sticking to its demand that this agreement should be implemented consistently.

The concrete implementation of this agreement should begin as soon as Klein is appointed UN administrator, and this is expected to happen after the New Year holidays.

Milanovic added that the Serb side is continuing to insist that the three operational teams that are to take part in the implementation of the agreement—the Serb, Croatian, and international teams—should work separately.

Tudjman's New Year Amnesty Includes Krajina Serbs

LD3012185995 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 30 Dec 95

[FBIS Translated Text] We have just received the following announcement from the office of the President of the Republic of Croatia:

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On the occasion of the Christmas and New Year holidays, at the suggestion of the Commission for Amnesty and on the basis of Article 98 of the Constitution of Croatia, Dr, Franjo Tudjman, the president of the Republic of Croatia, has decided to pardon completely or to partially lift prison sentences for 88 Croatian citizens who have been legally sentenced for various criminal acts.

Under another decree, at the suggestion of Minister of Justice Miroslav Separovic, the president of the republic has decided to halt criminal proceedings against 455 persons. This applies to persons detained during and immediately after the military-police action Operation Storm. The trials of these persons have been in progress in military courts in Zagreb, Split, and Karlovac for criminal acts of armed rebellion.

Justice Minister on Amnesty

LD3012193795 Zagreb HTV Television in Serbo-Croatian 1830 GMT 30 Dec 95

[FBIS Translated Text] [Unidentified correspondent] On the occasion of the Christmas and New Year holidays, President Tudjman made a decision to pardon a number of Croatian citizens. Justice Minister Miroslav Separovic is with us in the studio. Good evening, Mr. Separovic.

[Separovic] Good evening.

[Correspondent] Who are these people and how many are affected by this decision?

[Separovic] At the proposal of the presidential amnesty commission, the republican president pardoned 88 citizens of Croatia, who were sentenced for committing various punishable offenses. They were either released or their sentences were commuted.

[Correspondent] A total of 455 people were pardoned at your proposal. Who are these people?

[Separovic] Yes. At my proposal, the president decided to halt criminal proceedings against 455 people, who were captured during and after [Operation] Storm and against whom criminal proceedings were set in motion by military courts in Zagreb, Karlovac, and Split and they were suspected of committing the criminal act of armed rebellion.

[Correspondent] What does "armed rebellion" mean in concrete terms?

[Separovic] Armed rebellion is a punishable offence aimed at undermining the constitutional system and the security of the Republic of Croatia and which carries a minimum of three years in prison.

[Correspondent] Does this pardon apply to war crimes, that is, war criminals?

[Separovic] No, no, no, no way. This does not apply to war crimes against civilians, against the wounded, as well as other crimes against humanity as defined by international law, and the Republic of Croatia is duty bound to prosecute them in line with the rules of international law.

[Correspondent] Mr. Separovic, thank you for being our guest.

[Separovic] Thank you.

More on Amnesty for Serbs

LD3112151095 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 31 Dec 95

[FBIS Translated Text] The citizens who have been amnestied were today released from district jails in several Croatian towns. Our reporter Sanja Cota asked Justice Minister Miroslav Separovic to comment on the amnesty.

[Begin recording] [Cota] Mr. Separovic, does this second decision to pardon 455 citizens mean that all further procedures against them have been suspended?

[Separovic] That's right. That means that on the basis of the president's decision the courts will pass a ruling suspending detention and halting further criminal procedures in every individual case.

[Cota] Seeing that most of those people are from areas recently liberated in Operation Storm, do you know what they will do now, how they will return to their homes?

[Separovic] They are free citizens. They can go to the place of their earlier residence, to their relatives. We are in the process of organizing their reception. The office for refugees and displaced persons will take care of those who have nowhere to go at the moment, and will provide them with temporary accommodation until they go to another country or return to their earlier place of residence. There should be no fear that they will wander around our towns and be uncared for. Temporary accommodation will be provided for them.

[Cota] Minister Separovic, could we outline the importance of this decision?

[Separovic] With this act our national policy and the president personally once again showed that they favor pardoning. This is yet another step toward an overall peaceful solution to the crisis in the territory of the former Yugoslavia, another step toward the normalization of Croatian-Serbian relations, and also an act of mercy

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whereby the head of state showed that those who did not commit war crimes should be released. We should once again stress that it is completely out of the question that anyone who committed a war crime against international law and humanity should be released. We hope that the other side will be able to appreciate this, and that our citizens who are still in Serbia will be released. This amnesty has brought us much closer to solving that important problem.

[Cota] Just one more question. Have there been any negotiations to this effect? Any indications that this indeed might happen?

[Separovic] Look, negotiations are underway all the time; they have never been suspended. The Croatian authorities are doing everything possible to acquire some definitive information on the fate of those people and to have them returned to Croatia. [end recording]

Tudjman on Past Achievements, New Goals

LD0101152196 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 1 Jan 96

[FBIS Translated Text] President Franjo Tudjman spent New Year's Eve at Zagreb Intercontinental Hotel with his family and closest aides. He spoke briefly to reporters:

[Begin Tudjman recording] One should first recall everything we went through this year, it is as though we went through several decades. We should remember Pakrac and Okucani [captured by the Croatian army at the beginning of 1995]. I visited Australia and New Zealand. I will always remember my meetings with Croats living abroad. Then we had [Operation] Storm. Knin-Croatia is now secure forever.

As far as the next year is concerned we have to deal with the Croatian part of the Danube basin [eastern Slavonia] and then focus all our energy on economic and cultural development. I think we have the strength for this. The world was surprised and amazed by everything we accomplished last year and we have the strength of muscle and intellect for what remains to be done. [end recording]

Head of President's Office Reviews 1995

LD3012215695 Zagreb HTV Television in Serbo-Croatian 1830 GMT 30 Dec 95

[FBIS Translated Text] [Unidentified correspondent] Our guest in tonight's TV news is Dr. Ivo Sanader, the head of the president's office. Good evening.

[Sanader] Good evening.

[Correspondent] Until a month ago you held the post of deputy foreign minister, now you are the head of the president's office. So, you are the person to give us a well-informed assessment of this year, 1995.

[Sanader] The year that we are leaving behind is, no doubt, the year of the greatest Croatian successes. Starting with the fact that we have liberated most of the territory of the Croatian state—there is 4.6 percent left in eastern Slavonia, western Srijem, and Baranja that we leave for 1996. The fact is that we have liberated this and in liberating a large area of Croatia—of course with the assistance of the Croatian Defense Council and the Bosnia-Herzegovina Army—we also liberated western Bosnia. That fact tipped the balance in strategic relations, led to the United States embarking on an initiative that culminated with the Dayton negotiations, the Dayton agreement and the signing in Paris. So, peace had been achieved. Croatia succeeded in achieving this in a very short period of time. In comparison with 1990, when this process began, when President Tudjman with his program at the first democratic elections began the process of creating an independent, free, and sovereign Croatian state, it was no doubt an important year in recent Croatian history. Also 1992, when that process was completed with the international recognition of Croatia, the inclusion of the Republic of Croatia in the United Nations.

However, without doubt 1995 is more important, more successful if you wish, because Croatia became for the first time a respected military power, a respected military power in this part of Europe, in this part of the world, a country on which international powers can rely when discussing the new international order, when that new international order is in the process of being defined. It is a country that can be relied on.

Yesterday, at the reception held for the Ministry of Defense and the Ministry of Internal Affairs, for displaced persons and all the participants of the war for the homeland, President Tudjman said that for the first time since [Croatian kings] Tomislav and Kresimir, Croatia has become a military power, which in its region can secure its own security, peace, and its future. This is why we assess this year as being very successful, as one that fills us with great satisfaction.

[Correspondent] You have mentioned it and all of us are particularly interested in the fate of eastern Slavonia. The president received General Klein, the head of the transitional administration in eastern Slavonia, and NATO commander for Europe Gen. Joulwan yesterday. Could you give us some details about what was agreed regarding the one-year [transitional] period [in eastern Slavonia].

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[Sanader] Yes, the two meetings were very important indeed. The president presented Croatian standpoints during the two meetings. As far as Gen. Klein is concerned—he was appointed head of the transitional authorities—it should be said that he understands the problem very well. He has been briefed very well and he told the president in very clear terms that his goal was to reintegrate the remaining occupied parts of the Croatian territory into the constitutional and legal system of Croatia. Therefore, there is no dilemma about the goal of his task and this gives us cause for optimism.

Gen. Joulwan said that he had a mandate for close air support if needed. However, we hope that this will not be needed because everything that has happened since Dayton leads us to believe that normalization is in progress, that mutual recognition will follow soon and that, I hope and I believe, the process of reintegrating the currently occupied areas in the Croatian part of the Danube basin will be speedy and very successful. Therefore, yesterday's meetings with both generals were very good.

[Correspondent] Even though there were some expectations on our side that Croatian-Serbian relations would be normalized in Paris, that did not happen. Some things are slowly moving forward. What is your opinion about our relations with Serbia?

[Sanader] As I said, I believe that all historic circumstances are right for mutual recognition. We do not need it just for the sake of it, as I said we want to strengthen the new international order. This is also in the interest of the international community, in the interest of Europe and the region above all. It is also in the interest of the wider international community and that is why the Americans are taking part, as the greatest superpower. We are already slowly moving toward normalization. I can now announce Minister Granic's visit to Belgrade at the beginning of next year. He will be engaged in very concrete discussions on all outstanding issues, including mutual recognition, of course.

[Correspondent] A joint council for cooperation between the Republic of Croatia and the Federation of Bosnia-Herzegovina was set up during the Dayton talks. When will it become operational?

[Sanader] The council will start functioning at the beginning of next year. You know that the president of the Republic of Croatia is the president of the council and that the president of the Presidency of Bosnia-Herzegovina is the vice president of the council. Both states will appoint their members within the next few days and the constituent assembly will be held in Sarajevo at the beginning of next year. It is important to point out that the cooperation between the Republic of Croatia and the federation, between the Croats and the Bosniaks [Muslims], is not only a pillar of stability and a guarantee of stability and peace in the region but also a guarantee of the constituent status of the Croat nation in Bosnia-Herzegovina.

Matesa Expresses Optimism on Economic Prospects

LD0101192096 Zagreb HTV Television in Serbo-Croatian 1830 GMT 1 Jan 96

[FBIS Translated Text] Zlatko Matesa, head of the Croatian government, took over the office less than two months ago. The framework of his economic policy will become much clearer in a day or two when the government is due to present its draft 1996 budget. Speaking about his economic expectations for 1996 he said the following:

[begin Matesa recording]) First, it should be said that in 1995 we created all the main prerequisites needed for improving the situation in 1996. In other words, an integrated Croatia, Croatia within its internationally recognized borders including a peaceful reintegration of the Croatian part of the Danube basin, these are the prerequisites and the framework for the the new Croatian government and its activities.

The 1996 budget will be slightly larger than the 1995 one but completely different in its structure. A smaller amount will be allocated for the current account and a larger sum for reconstruction and infrastructure. With foreign investment and the tourist season and all that the post-Dayton period of peace will bring, this will speed up economic activity and create much better conditions for the advancement of Croatia as a whole and all its citizens. In brief, we will ensure that life in Croatia in 1996 is better. [end recording]

More on State of Economy

AU0101193896 Rijeka NOVI LIST in Serbo-Croatian 23 Dec 95 pp 4-6

[Interview with Croatian Prime Minister Zlatko Matesa by Edita Vlahovic; place and date not given: "Cutbacks in Customs Duties and Contributions Assessed on Wages and Salaries"]

[FBIS Translated Text] [Vlahovic] On the occasion of your appointment both you and President Tudjman pointed out that the government you head is a government of continuity. Meanwhile, at first appearance in parliament you emphasized that there is no continuity at all, except that both the new and the previous government were appointed by the HDZ [Croatian Democratic Community]. Can you finally explain what is the relationship of the new government to the previous one?

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[Matesa] Under continuity I understand that it is an HDZ government and that it will continue to realize the HDZ program with which this party won the elections. If one thinks that this government should behave in absolutely the same way, make the same moves, adopt the same measures as the previous one, then there is no continuity and there will be no continuity in that sense. We will try to conduct an independent economic policy based upon macroeconomic conditions created by the previous government.

[Vlahovic] What do you mean by saying that you will try to conduct an independent economic policy? Independent from whom or what?

[Matesa] Independent from the moves made by the previous government.

[Vlahovic] What do you take as the bad parts of the former government, that is, what are the minuses because of which you have given up pointing out continuity?

[Matesa] I have neither come with the task nor with the wish to represent continuity with the previous government, because, in fact, there cannot be such continuity at all. Mr. Valentic's government perhaps achieved the most it could in the circumstances in which it was active. This government is active in a completely different environment, and it is trying to redesign completely economic and other policies in the light of newly created conditions.

[Vlahovic] The government has decided to finance itself from the provisional budget in January. According to law, however, the budget proposal should have been presented to the representatives several months ago. Why is this document late?

[Matesa] It is not late at all. Everybody knows that there were elections and when the last parliamentary session took place. Apart from that, it would be absolutely unproductive to have the budget determined at the time when everybody was under the direct influence of the events in the liberation of the country. Had there been a parliamentary session after September, it would not be questionable at all to discuss the budget before the new year. True, I must say that we were ready to present the government budget to the parliament even before the new year.

[Vlahovic] Parliament finished its session a couple of days ago.

[Matesa] Yes, we had asked for a special session, but the general mood in the parliament and among its leaders was to go with the regular session in January. We have accepted that and we think that in that way we will have enough time to prepare the new parliamentary session in detail for a discussion.

[Vlahovic] The former prime minister had announced that he would present the parliament with the budget proposal for the next three years. What about that? Is there such document?

[Matesa] Yes, we have also been preparing it because it is our duty, and there is also an agreement that we prepare a longer-term budget. In the future, all other budgets will have to have this temporal perspective.

Entering a Three-Year Arrangement With the IMF

[Vlahovic] An IMF mission recently visited Croatia and reviewed the government's program for the next three years. Has the IMF had any insight into that budget?

[Matesa] Yes. Both the IMF and we have determined that a one-year standby arrangement should be brought to its end before time, because Croatia has accomplished all the aims from that arrangement. We have decided that we would bring it to an end, and start talking about a new, three-year arrangement which would serve in the newly created circumstances and to impose development perspectives. We hope that in the first quarter of 1996 we will have this three-year agreement and that it will, in addition to serving to promote development, mostly service our balance of payments toward foreign countries. Through deferred foreign debt repayments, the Croatian economy will get more space for a development cycle.

[Vlahovic] Considering that the IMF has already had insight into that three-year plan, that means that you do not expect any larger changes of it in parliament?

[Matesa] You mean the standby arrangement?

[Vlahovic] No, I mean the three-year budget and the program associated with it, which is to be confirmed by the parliament.

[Matesa] The talks related to the three-year arrangement will not reflect upon the budget and in that sense it will not change. There is a global objective according to which the budget deficit, in principle, should not exceed 3 percent of the gross national product. There is neither such a case in our country, nor do we predict it.

The Tax Burden Is Too High and the Government Is Not Considering an Increase in Tax Rates

[Vlahovic] According to information available so far, the Ministry of Finance early this month prepared a budget proposal which should amount to 52 billion kuna [Kn]. Such a proposal is not only contrary to your announcements about cuts in public expenditure,

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but it also means even more intense exhaustion of the economy. How will the government behave toward that proposal of the Ministry of Finance?

[Matesa] That proposal is not the proposal of the Ministry of Finance but of the users of the budget. So, those are demands from the budget. Your estimation is perfectly appropriate and I agree that it would be nebulous to make such a proposal. In that context we will not consider the demands seriously because I do not know what we should do to make such budget come true. Already now we are finishing the creation of the budget which will be, if not smaller, then very, very close to this year's budget (KN31 billion, author's note). There will also be some relief for the economy. Our tax burden is too high and the government does not at all consider increasing tax rates.

[Vlahovic] How much of the proposed amount is designed for recurring costs, that is, for salaries, representational funds, computers, cars, and similar, and how much for capital investments?

[Matesa] I cannot tell you how much, not because I would not want to, but because not everything has been finished yet. However, I can say that there will be no purchase of passenger cars or some buildings which would not serve directly the economic growth. Recurring costs can be at the level of the ones this year or lower. Capital expenditure can grow. It is certain that the allocation of funds for reconstruction and road construction will more than double, and the rest will have to be the same as this year or even lower.

Smaller Expenditure of Defense Ministry

[Vlahovic] What about the expenditure of the Ministry of Defense?

[Matesa] It will be smaller.

[Vlahovic] Can you tell us, approximately, what will be the share of defense in the budget?

[Matesa] You will see that when we publish the budget proposal.

[Vlahovic] Considering the difficulties in fulfilling the budget this year, how do you expect to fulfill the budget next year?

[Matesa] There have been no difficulties in fulfilling it, but in emptying it. It is a fact that the majority of the population of Croatia was amazed by the developments, by Operations Flash, Storm, and Mistral, but people are prone to forget and they cannot imagine the price of such operations. All of us agree that the expenses Croatia has suffered this year for the liberation of the country were necessary and purposeful, but they cannot be balanced and there is the problem. We plan in the period ahead of us to solve that problem in the functioning of the budget, and I think also that we can solve it, because the circumstances have changed and now we can make certain redistributions. I neither expect problems with filling the budget, nor such aforementioned problems. It will give us an opportunity to realize the budget which we will propose.

Increase in Economic Activity

[Vlahovic] You have mentioned reduction in taxes. Can you tell us which taxes, and how much? So far, those have been small percentages, and the general appraisal is that the tax burde is too high.

[Matesa] It is true, but the tax burden was necessary because of everything we have passed through. We are seriously considering reducing customs duties and some other duties which should directly serve certain production. We are also considering the problem of the contributions paid from the salaries and wages, the question of nontaxable portion of income, and the question of the purposefulness of the war tax.

[Vlahovic] Does that mean that you will fulfill the demand of the trade union to increase the nontaxable basic salary from KN700 to KN1,000?

[Matesa] We will not do that because of the trade unions, although they are important social partners in any organized state. We will do that for the sake of our final objective, and that is the increase in the economic activity. We will try to do everything which could stimulate growth, but also there will be some restrictive measures like those which would "square accounts" with the black economy, which make sure that everybody pays contributions for the old-age pension insurance, measures which refer to the protection of the pensioners, or the new law on execution.

[Vlahovic] What will be the government's policy on salaries next year? The decision on the limitation of wage and salary growth, according to which salaries and wages could grow at the most up to 6 percent, will expire by the end of this month. There are rumors that in 1996 an 8.7 percent growth will be allowed, that is, less than 1 percent a month.

[Matesa] Your information is very close to what we will be doing. Namely, if one would make a serious, neutral, and nonpolitical analysis, one could see that there is realistic growth in wages and salaries. If one can trust the sources from the funds, the wages and salaries growth is not at all based upon productivity. It is dangerous if the gap between productivity and wages and salaries would widen regardless of whether we talk

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about the public or private sector. Regarding the public sector, we have done something for judges, physicians, teachers. I am afraid that, related to the administration in the traditional sense, including us in the Government, there will not be any major changes.

No Christmas Allowance

[Vlahovic] Will there be any Christmas allowance this year?

[Matesa] I am sorry, as well as many others are, but there will be no Christmas allowance. I do not know where we could obtain the money for that.

[Vlahovic] According to the IMF, Croatia could start developing and creating new jobs. However, the Ministry of Labor and Social Welfare expects that in 1996 there will be an increase in unemployment as a result of the reorganization of big companies on one hand, and the application of the Labor Act on the other. Who is right? In your opinion, how much will unemployment decrease?

[Matesa] Every reorganization project must contain a social component aspect. The purpose of reorganization is not to declare there are too many employees and to fire them. There is no such thing in real life. The government is ready to provide means for new employment, and the counties and towns should provide infrastructure, buildings, enable creation of small enterprises and industrial zones, so that a person who is only opening some handicraft or company, would not have to pay all those big contributions and taxes. I think we can even say that in Croatia next year there will be a trend of reducing unemployment because you must bear in mind that there are large areas liberated in Operation Storm where there have been no people so far, but there are industrial plants which could start operating immediately. Therefore we have prepared a package of stimulating measures for the people who will be living there, so that someone who lives in Zagreb and has a salary of KN2,500 could have, just on the basis of differences in contributions, KN4,000 in Gracac.

Squatters Will Have To Move Out

[Vlahovic] Now that you are talking about the recently liberated areas and employment, a lot of time has already been lost. The government has emphasized that the return should be provided for before winter so that there would be no devastation of the buildings. Meanwhile, the government is reacting only now and is announcing renewed control of the distribution of apartments and of their trustees' work. To what extent is it realistic to expect that those stimulating measures will yield results, if people cannot realize their most basic rights and get an apartment?

[Matesa] There are two levels of the problem. Do not mix the problem of the return of the displaced with this one, which you have correctly stated. The displaced will be returning at the speed at which the Ministry of Reconstruction and Development will be reconstructing houses, bearing in mind that we intend to solve on the whole the question of the return of the displaced into the areas liberated by Operation Flash by the beginning of April. The second thing is the return of the displaced into areas liberated by Operation Storm, and the third thing is what you were talking about. We will solve that in such a way that all those who have moved into the apartments illegally will have to move out. There will be no mercy or giving away [the apartments] because we need those apartments for the people who will be employed there. Around 15,000 people have expressed their interest in all those areas, and because of them, but also because of myself, we have to do that.

[Vlahovic] Robert Feldman, chief of the IMF mission, said last week that the government's objectives could be realized but by applying conservative methods. What does that mean?

[Matesa] Feldman referred to the structure of next year's budget, that the budget deficit cannot exceed 3 percent, and that the deficit is financed from known sources, and those are foreign sources, selling Croatian stocks in the foreign market, which we have recently started to do.

[Vlahovic] And the question of the exchange rate?

[Matesa] The Fund has given us no recommendations on maintenance of the exchange rate level, although they think the best thing would be if we left it as it has been so far. We ourselves intend to leave the exchange rate to the principle of supply and demand. At the last debate in HGK [Croatian Chamber of Commerce], out of some 20 discussions, the exchange rate was mentioned as a problem in only one, but the majority mentioned the tax burden on salaries and wages.

[Vlahovic] Contrary to the expectations and announcements of the government that the financial rehabilitation of banks and reorganization of public enterprises will be, to a significant degree, assisted by foreign loans, both the IMF and the World Bank have clearly let us know that both the financial rehabilitation of banks and reorganization of enterprises should largely rely upon the budget, that is, that those problems can mostly be solved by reducing public consumption. Is the government ready for such a reversal?

[Matesa] The IMF has nothing do with the financial rehabilitation of banks and the reorganization nor has it

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anything to do with the funds intended for that purpose. The chief of the World Bank has said that the final talks will be held in early February and that the board of the Bank would make its decision sometime in early May. The amount of money intended for the financial rehabilitation of banks in 1996 would be KN600-700 million. Otherwise, we presume that the whole loan of the World Bank intended for that would be about $150 million.

Foreign Trade Deficit Is Characteristic of Countries in Transition

[Vlahovic] How do you comment on the figures and data that show our foreign trade deficit amounting to $2.2 billion, the national budget lacking $20 million, unsettled matured foreign debt of $1.2 billion, gross product growth of only 0.8 percent, and the whole public consumption today taking between 55 and 60 percent of the gross domestic product?

[Matesa] A foreign trade deficit is something which is characteristic of countries in transition. And, by definition, if Croatia enters an investment cycle, in a longer-term period it will have a negative trade balance. That is inevitable, and I do not know how one could understand that it could be different if we want reconstruction, a new investment cycle, and if we want new technologies imported. One of the basic delusions in macroeconomics is the one about the positive influence of a positive balance. If you ask me about the import of consumption goods, then the second delusion is the following one: people have one approach to the problem while at work from 0700 to 1500; then they ask for the protection of domestic production. But when they get out of work, they look for a cheap product, and if they cannot find it in Croatia, they are ready to go to Graz, Trieste, or Hungary. That is a simple conflict of interests, which is the best illustration of the difference in the points of view of a seller and of a consumer. The only answer is efficient and competitive domestic production.

[Vlahovic] If the trade deficit is explained in the way that nevertheless something is going on in the economy, one should sometimes and somewhere show that. For the time being the data tell us about the 0.8 percent growth.

[Matesa] I do not know whether I will be prime minister then, but I am sure that in a year or so, it will show that the growth was far bigger than was presented. If investments grow, the wages and salaries have grown in reality, the budget income grows in reality, that means that somewhere some kind of activity is going on. The statistics which do not show realistic changes in economic sphere represent a big problem. We have seen most recent statistical reports on building construction showing decline in activity. Simultaneously, the government has financed 5,000 houses, out of which half have already been finished, and these have not been registered anywhere at all. We have realized that enterprises with less than 20 employees are not being registered, and they have been doing a lot of things. Therefore we are working on the complete reorganization of the State Statistical Office, and it is otherwise interesting to note that for the first time since 1987, the growth in industrial production has been registered.

We Have Regularly Been Servicing Our Debt to the Paris Club

[Vlahovic] And what about the matured, but as yet unpaid foreign debts?

[Matesa] We have regularly been servicing our debt to the Paris Club, the total amount of the matured claims of the London Club is around $360 million, so it cannot at all be $1.2 billion. The negotiations with the London Club will now continue and we expect that we will reschedule our debts.

[Vlahovic] You have said that the state administration is too big and too expensive. You have also announced that you would have some institutions closed down. Can you tell us which institutions?

[Matesa] I cannot tell you before the discussion at the session of the government, but I can say that some 10 offices and institutions will either be closed, or will join other offices and institutions. We will start from ourselves, and what happens at the local level is a story for itself. Apart from that, if we want a professional and good administration, we must reduce it in order to give them decent salaries later on.

[Vlahovic] Why does the new Privatization Act not envisage distribution of the public enterprises' shares, for which people say are only valuable state-owned shares?

[Matesa] The Ministry of Privatization will make a special program of privatization for every public enterprise. The only thing prejudiced in a way by the law is that it said that 30 percent of the shares of such public enterprise would be intended for the reform of the pension fund. The law says nothing else, so the possibility of distribution of shares is not excluded.

[Vlahovic] The selling of one quarter of the Adriatic oil pipeline for 186 million German marks has been announced. It has already been pointed out that the government, that is the Privatization Fund, had rushed with the selling and sold the pipeline at a very low price.

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How do you comment on this sale which is taken by many as the paradigm of the future privatization of the Croatian financial institutions?

[Matesa] It is hard to say what is too cheap, and what is too expensive, particularly when there is international bidding. I am not sure that this transaction has been realized. The negotiations are still going on and there is, in fact, an opposite tendency: investors think that it is too expensive, and I am not sure that the transaction will be brought to its end. Many people have been critical of company evaluations in the process of privatization, and now it turns out that the prices of the companies had been absolutely too high and that they decrease in a great number of cases.

Difficult Situation in Judiciary

[Vlahovic] You have mentioned strengthening the rule of law as one of the important tasks of this government. What are the weakest segments of the rule of law, in your opinion?

[Matesa] The situation in the judiciary is absolutely difficult. We have done what we could, and that means that we have tried, as much as this state is capable, to solve the question of the wages of the judges and of their status on the whole. But the number of matters in dispute in front of judges is immense, 1.2 million, the backlog of cases very big, although the judges' work norms are rather high. We must urgently employ more judges, and apart from that we will take some other indirect measures, like the new law on execution and on bankruptcy. Thus, in some way, we will unburden the court, which is supposed to function as the supervisory body.

[Vlahovic] Those are obviously two aspects of one problem. One of them is related to the economy, and the other one to the citizens who practically cannot ask for efficient protection of the court.

[Matesa] The protection of the court is slow, and in the civil part the courts are simply jammed. It is no comfort for us to know that in Italy today they fix hearings in advance for the year 2000. That is almost a joke, but that means nothing if your apartment or your family's existence depends upon a lawsuit. We, on our part, have tried to do everything we could, the rest depends upon the judiciary. The government has no right to interfere with the courts.

[Vlahovic] Will the government publish data on the illegal privatization procedures and their annulment?

[Matesa] That is one of the questions that is being terribly politicized. During the debate on privatization, Mister Kovac (chairman of the Privatization Fund, author's note) presented all the relevant data. Although all the cases the Fund has found incorrect were annulled, and their objections overruled, it has constantly been politicized. From the Czech Republic to Lithuania, nobody has succeeded in privatizing a couple of thousand companies without incident.

[Box, p 4]

For Collapse of Local Government and Self-Government—New Elections

[Vlahovic] What does the government intend to do in order to strengthen the rule of law, for instance, in Split, where evictions continue in the most drastic way?

[Matesa] I am not informed about evictions.

[Vlahovic] The most recent information says that the evictions from the so-called military apartments continue, now even by different groups abusing stolen certificates of the Ministry of Defense.

[Matesa] I really cannot tell you now. I would have to check that first. I have no official information on that.

[Vlahovic] The local government and self-government has also collapsed in Primorsko-Goranska County. What does the government intend to do in order to provide for the functioning of the local government and self-government and normal life of Croatian towns?

[Matesa] Well, do you know what has happened at the level of the county?

[Vlahovic] Yes.

[Matesa] As far as I know, that situation demands new elections. Then, the elections should be carried out and whoever is elected should form the assembly.

[Box, p 5]

Constitutional Court Decision Will Be Competent for Zagreb

[Vlahovic] The representatives of the seven parties of the Zagreb Municipal and County Assembly have sued the government in the Constitutional Court because of the decision to annul the constituent sessions and summon the new ones for 2 January 1996. President Tudjman's stand about this is known. What reasons can you, as prime minister, give for such decisions?

[Matesa] That is also the question of confidence in this legal system. So, the government will do as the Constitutional Court says.

[Vlahovic] The case of Jastrebarsko is the same as the Zagreb one, only the HDZ has a majority there,

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and the HSLS [Croatian Social Liberal Party] was the balance which was supposed to provide the two-thirds majority, but it did not. The government has nevertheless confirmed the validity of that session.

[Matesa] Then, it is probably not the same case. As far as I know, it is a matter of the rules of procedure in Zagreb, and in Jastrebarsko it is not. The administrative and professional service in the Zagreb Assembly has officially informed us that the constituent session had failed. I do not want to discuss the question of the rules of procedure further, but in any case we will work according to the Constitutional Court's decision.

[Box, p 5]

Financial Rehabilitation and Strengthening of Banking

[Vlahovic] During your first appearance in the parliament you were reproached for having no program. You announced that you would present it on the occasion of the discussion on the budget. What is the government's program like?

[Matesa] The program will be presented at the same session at which the budget will be discussed. The budget is being prepared, and it was not presented at the first session only because it would have been utterly ridiculous, after only 20 days of the government's work, to present some kind of program. In that case the credibility of the government would have been shaken, rather than affirmed.

[Vlahovic] Can you nevertheless tell us what are the activities or branches to which you give the priority in the economy, or does one not at all think that way?

[Matesa] We are hardly going to go directly toward certain sectors of the economy, since such approach has overtones of planned economy and in that way some kind of injustice is always done. If we said now, for instance, that torpedoes will be developed in Rijeka because it is in the interest of the state, a number of questions would arise. Who has made the decision?, why?, who will pay for that?... Instead, we will work in the way that our main priority is financial rehabilitation and strengthening of the banking sector, introduction of competition into the banking sector, and our objective is to decrease interests. The first results with the Slavonska Bank are encouraging, we will continue with Commercial Bank, the Bank of Rijeka, of Split, and of Istria. The other thing is reorganization of the big public enterprises, and the third segment is stimulation of the private sector, of everything that can grow profitably. We will be doing that through the Croatian Credit Bank for Reconstruction and the loans for reconstruction, the price of which must be less than 10 percent, and the source of the funds will partly be in the budget, and partly from the foreign loans.

[Box, p 6]

There Are Too Many Pensioners, and Too Few of Us Are Working

[Vlahovic] Among other things, you have announced a reform of the pension plan. Can the pensioners expect any improvement in their position in 1996?

[Matesa] The question of the pensioners is also one of the terribly difficult questions. On one hand, everybody says that the life of pensioners is hard, that the pensions are small, that the KN100 given by the government is humiliating, and that that KN100 can buy only basic provisions for a family of two for almost a month. Those KN100 amount to 1.1 billion a year for the government, and that is a half of the superhighway from Delnice to Karlovac. On the other hand, everybody compares us to other countries, and nobody wants to say how big the pensions are in Hungary or in the Czech Republic or other countries similar to Croatia. Nobody will tell you that, and those data are very interesting.

[Vlahovic] Well, tell us.

[Matesa] The pensions in Hungary are half the size of the Croatian ones. And now, our objective is not to have Croatian pensions at the level of those in Hungary or to compare them to anyone's, but our objective is to increase them. An objective obstacle is the fact there are 850,000 pensioners in Croatia and that such a pension plan can hardly stand any higher tensions. In fact, everybody thinks that one has set money aside for one's own pension, but unfortunately nobody, starting from my parents to the rest of Croatian pensioners, was setting money aside for one's own pension, but for the pensions of the pensioners then. And as long as we do not start applying the system which is normal in the developed world and in which one sets money aside for one's own pension, there will be no luck with the pensions. Until then, the state will have to cover the deficit in the pension fund from the budget, and the pensions will grow in line with the potentials of the state. What is the alternative? To increase contributions? We have agreed that the contributions are too high. The problem lies in the fact that there are too many pensioners, and too few of us working.

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Jovan Insists Serbian Orthodox Church Will Stay

LD2912130395 Belgrade TANJUG in English 1238 GMT 29 Dec 95

[FBIS Transcribed Text] Belgrade, Dec. 29 (TANJUG)—Metropolitan Zagreb and Ljubljana and all of Italy Jovan Friday said the Serbian Orthodox Church did not renounce its eparchies, dioceses and property in Croatia nor in the other former Yugoslav republics that have now become independent states. [sentence as received]

Jovan, who left Belgrade on Thursday for Trieste, denied malicious interpretations by reporters of some Croatian papers according to which he was criticized for allegedly waiting for peace first and would only then deal with the organization of the Serbian orthodox church in Croatia, Belgrade's daily POLITIKA EKSPRES said.

It was Zagreb's daily GLOBUS that on Dec. 22 this year wrote that Catholic Bishop of Sibenik, Srecko Badurina, has allegedly said that the Serbs could soon abolish the Serbian Orthodox Church in Croatia.

By putting this sentence from the interview with Badurina in the headline, GLOBUS inferred that Badurina was told this by Metropolitan Jovan personally.

In a letter to the holy synod of the Serbian orthodox church that convened two days ago, Metropolitian Jovan pointed out these inaccuracies in Croatian press.

According to POLITIKA DAILY, he described as extreme cases the writing of some Croatian papers which said the Serbian orthodox church was 'an instrument of Belgrade's policy' and continued blaming some orthodox church senior priests for the exodus of Serbs from Serb Krajina.

This all the more so since the top of the Catholic church in Croatia, the Belgrade paper quoted Jovan as saying, publicly condemned the crimes committed against the Serb people following Croatia's aggression on Serb Krajina.

Everything outside the agreed-on statement with Catholic Cardinal Kuharic after meeting him in November, Jovan termed as arbitrariness, Belgrade papers set out.

Slovenia was also a newly-established state, but relations between the Catholic church and orthodox Serbs there were correct, as they should be among Christians, said Metropolitan Jovan.

Church dignitaries in the Serbian Orthodox Church believe a political solution for the position of the Serbian Orthodox Church and its believers in these newly-established states would be found, just as it had been done in the countries of Europe, the Americas and Australia, where it has it eparchies, dioceses, clergy, bishops and believers, concluded Metropolitan Jovan.

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Gligorov Message Hails Cooperation With Neighbors

LD2912182895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1720 GMT 28 Dec 95

[FBIS Translated Text] Skopje, 29 Dec (TANJUG)—Kiro Gligorov, president of The Former Yugoslav Republic of Macedonia [FYROM], said in his New Year message delivered today that Macedonia "will continue pursuing the same, sufficiently tried and tested and promising path of peace, prosperity, and a better future."

Gligorov addressed citizens, in a live television appearance, for the first time since the failed assassination attempt on 3 October 1995.

"We are facing a huge job of building a new state that first had to regulate its international status, and then build itself from the inside as a modern, law-governed, and economically prosperous country," Gligorov said.

In the international sphere, Macedonia will continue advocating peace and stability in this part of the Balkans, the Macedonian president said, and particularly stressed the importance of cooperation with all neighbors and European states.

Defense Minister Views PFP, NATO Admission

AU2912201295 Skopje VECER in Macedonian 29 Dec 95 p 8

[Interview with Defense Minister Blagoj Handziski by Sasko Dimevski; place and date not given: "To NATO—Without Refrain"]

[FBIS Translated Text] The past year has been important for the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in many ways. Our state has almost completed establishing its international standing and has become a member of all the important international organizations and institutions. One of the most significant moments was certainly Macedonia's membership in the Partnership for Peace program, an act that allows our state to cooperate on an equal footing with the other 26 members of this military alliance for stability and security in this most strategically important sphere.

We discussed with Defense Minister Blagoj Handziski our membership in this initiative, the changes that it will impose in the organization and structure of our armed forces, the mandate on the peacekeeping forces in Macedonia, and the situation in the region, as well as the possibilities for lasting peace.

[Dimevski] What will our admission into the NATO program mean for us on a global scale and in relation to concrete activities and measures?

[Handziski] Globally, it will mean intensifying our political and military links, as well as our contribution along with the other members of the initiative, to strengthen security in the euro-atlantic region. On the other hand, by cooperating in the Partnership for Peace initiative, the Republic of Macedonia will achieve the following goals: openness in the planning and budgeting of national defense, democratic civil control over the armed forces, training of the armed forces for participating in operations under the command of the United Nations and the OSCE [Organization for Security and Cooperation in Europe], cooperation with NATO in joint planning, training, and exercises to strengthen peacekeeping, as well as conditions for fulfilling the basic terms for NATO membership.

Intensive Preparations

[Dimevski] What are the conditions, besides the political decisions, that Macedonia has to fulfill in order to be admitted into NATO?

[Handziski] Besides the political decisions, there are no questions on fulfilling the conditions for NATO admission. This is the first condition; therefore, it is very important that the Republic of Macedonia has already adopted such a decision in the Assembly. This is the basic condition of our intensive preparations for fulfilling the other conditions, among which are the following: membership in Partnership for Peace, the adoption of an identical procedure in managing and commanding the armed forces, and a compatible communications system. The other part of the conditions is associated with the ability of the Republic of Macedonia to safeguard its borders, its territorial integrity, and independence—that is, to absorb the first attack of a possible aggressor and provide for a total mobilization of the armed forces. There are also the conditions for the functioning of the institutions, the economy, and the collective system of security and defense in order to stop the aggression, in which the Ministry of Defense has been engaged in the past period.

[Dimevski] Can we expect to be admitted into NATO soon?

[Handziski] NATO membership is also linked to a political decision that has to be made by a consensus in the North Atlantic Treaty Organization. This decision depends on NATO's determination not to create divisions in the North Atlantic regions and new polarizations with its expansion. This can be provided in an evolutive process that requires more time, patience, and negotiations. So, we do not know when the political decision on NATO expansion or on Macedonia's possible inclusion will be made, but we can say that at the beginning of next year, in accordance with the latest NATO

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decision, individual negotiations will begin with with every country that has applied for admission.

Assessments and Solutions

[Dimevski] What do you think about the firm stance of the Russian Federation concerning the prolongation of the UNPREDEP [UN Preventive Deployment Force] mission in Macedonia until 30 November 1996?

[Handziski] First, it is a UN rule to define the mandate of peacekeeping missions in six months. I would like to believe that this is one of the reasons for, as you say, the "firm" stance of the Russian Federation on this question. The second reason was mentioned and associated with the difficult financial situation that the United Nations has been faced with for a long time, and I think that cost reduction should not be applied in this sphere. UNPREDEP is the first preventive UN peacekeeping mission that has yielded results, and that is why I believe that the cost reduction should not refer to it. Finally, I think that this firm stance is a result of the Russian Federation's belief that the signing of the Dayton agreement means lasting peace and stability in the region. We differ in our assessments on this because we believe that lasting peace and stability in the region can be achieved with the full implementation of the Dayton agreement by the end of 1996, and after a solution to the Kosovo question is included as an internal question of the FRY [Federal Republic of Yugoslavia]. That is why we proposed that UNPREDEP stay in Macedonia until the end of next year. Our assessments were supported in Butrus-Butrus Ghali's report to the Security Council. The secretary general is now working on a new report that will be presented at the end of January, and we expect to see a solution that will be acceptable for us and for the United Nations.

[Dimevski] Following the Dayton agreement and the deployment of NATO forces in Bosnia, have any of our new partners officially asked Macedonia for logistical assistance in the IFOR [Implementation Force] mission?

[Handziski] NATO and the country members that are participating in the IFOR mission in Bosnia have concluded an agreement with the Republic of Macedonia on transporting armed forces and necessary equipment. The agreement does not refer to the military providing logistical support to the IFOR mission. For the time being, only two such sites were foreseen—in Horgos, Hungary, and in Split, Croatia. This does not mean that other sites will not be opened if there is a need, even in Macedonia.

Reshuffling at the General Staff Headquarters

[Dimevski] What will be the Defense Ministry's priority tasks next year?

[Handziski] Priorities are imposed by the need to complete Macedonia's defense system, intensify our armed forces' preparedness, and fulfill the obligations stipulated in bilateral agreements, as well as the tasks required within the Partnership for Peace program. In this context, the basic strategical documents will have to be put into effect in 1996, a number of essential legal and sublegal acts will have to be adopted, and reorganization will have to be carried out in the basic units. At the beginning of the year, we will also begin implementing the new project on organizing and forming the armed forces structure, as well as the new project for a compatible communications system that will help fulfill our tasks in Partnership for Peace for joint training exercises, but, first of all, for the adoption of a procedure in managing and commanding the armed forces.

[Dimevski] Does this mean that there will be some reshuffling in the commanding staff?

[Handziski] The new organization and formation structure foresees a formation of a mobile brigade for quick deployment in A-formations in our armed forces, which will be commanded by a brigade general, as defined by the Alliance. There will probably be some reshuffling at the General Staff Headquarters of the Macedonian Army. Namely, a few days ago, the chief of the General Staff of the Macedonian Army, General Colonel Dragoljub Bocinov, expressed his desire to retire after the new year. He has been in this position since 5 March 1993, and this was an exhausting time because of the restructuring of the Macedonian Army, its development, and its better preparedness on a more appropriate level and for its international affirmation. Gen. Bocinov's work in improving our armed forces is evident.

[Dimevski] What will be the priorities in the international contacts and activities?

[Handziski] Next year we will be actively involved in the NATO program, and we expect to sign a number of new bilateral agreements on different forms of cooperation. This will be the year in which we will send our first military attaches abroad. At the beginning of the year, we will travel to the United States to attend a meeting organized by the White House on the occasion of the 50th anniversary of the Marshall Plan and the second anniversary of Partnership for Peace. U.S. Vice President Al Gore will address the meeting, as well as Defense Secretary William Perry, National Security Counselor Anthony Lake, Senate Majority

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Leader Bob Dole and House Speaker Newt Gingrich, Chancellor Kohl, and many other representatives from member countries of NATO and Partnership for Peace, where not only the future of the initiative will be discussed, but also the program for state partnership for the development of direct political, military, economic, cultural, and other relations with the United States, with which the country members of the Partnership of Peace are associated. Our delegation will be a guest and host of Vermont, and we will also have a number of meetings with the attending defense ministers and high-level officials in the U.S. Administration, with whom we will discuss bilateral relations and UNPREDEP's future in the Republic of Macedonia.

Ethnic Albanians Chosen for Supreme Court

96P20185A Skopje FLAKA E VELLAZERIMIT in Albanian 18 Nov 95 p 8

[Article by Suzana Bajrami: "Representation Increases Confidence"]

[FBIS Translated Excerpt] [Passage omitted] After a long process, after three go-arounds in the Assembly, last month, the Supreme Court of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] was finally constituted completely, with 24 judges and one chairman. [passage omitted] One of the most difficult processes in the course of the nomination and selection of judges was the decision on the representation of the nationalities, specifically of Albanians on this body. On the basis of an agreement between the Albanian political subject, the Party for Democratic Prosperity [PDP in Macedonian—PPD in Albanian], and the government, Albanians would have at least four representatives on the 19 plus one membership of the Supreme Court. Later it was decided that, because of the large number of issues which had to be resolved, the Court should have 25 judges. Albanians did not have representation on the Supreme Court of the former system of the Republic of Macedonia, except for the time when the late Ilmi Emini was a judge.

The Law on Judges governs the representation of the nationalities on the courts. Article 40 of this law states: "Representation of the nationalities should be taken into consideration in the selection of judges and juries, without prejudicing the criteria of the law." How has this article been observed and who are the Albanian judges who have taken their places on the highest court? They are Zeqir Selimi, Faton Pacuku, and Zyrap Limani.

Zeqir Selimi is from Kercovo and has had 18 years of experience on the Kercovo communal court. He was selected for the Supreme Court in April in the first round when 19 judges and a chairman were being selected. He worked on civil cases in the Kercovo court. In the Supreme Court, which is divided into three councils, he has been assigned to the council on penal cases because this is where the need is. "During the six months that I have been on the Court," Judge Zeqir Selimi says, "I have reviewed 80 cases, almost half of them dealing with Albanian citizens. The rulings on the cases were the same as I recommended, thanks to the cooperation of the chairman of the Court and the other judges."

Faton Pacuku is from Debar and has 22 years of experience as a judge in the communal court in his city. He has experience in penal cases. He was selected for the Supreme Court of Macedonia in the second round when three more judges were selected. He is temporarily assigned to the Administrative Council, and while he has been on the Supreme Court, he has examined about 50 administrative cases. Judge Pacuku has good things to say about the reception he has received on the court.

Zyrap Limani, who is from Gostivar, has been a communal judge in Gostivar for 12 years. With his election and the election of Judge Babunski last month, the Supreme Court of Macedonia was constituted in full. He has had experience in resolving civil disputes and on the Supreme Court and will be assigned to the Council for Administrative Issues.

According to the three Albanian judges, the "reason" why Albanian judges were excluded from the former membership of the Supreme Court of Macedonia was the "criterion" that only judges with experience before the circuit court could be elected judges of the Supreme Court. The three Albanian judges said that the basis of this criterion is clear when it is known that there was no Albanian judge on the three circuit courts of the Republic, in Skopje, Manastir, and Shtip. Even though they lack experience in the second level courts, judges Selimi, Pacuku, and Limani feel that they are fully worthy of the position of Supreme Court judge.

The candidacy and election of Judge Sabit Kranli from Resnja as judge of the third level court aroused quite a storm in public opinion. The ethnic affiliation of this judge, even after his entry on the Supreme Court of Macedonia, remains a dilemma for public opinion. During the competition for this post, Judge Sabit Kranli said that he was an Albanian. Even the Republic Judicial Council nominated him as an Albanian judge. The Albanian deputies contested the candidacy and election of this judge in the Assembly because they did not recognize him as their representative. How did Judge Kranli explain this as he responded to our invitation to talk to the readers of our newspaper? He said: "I did not come to this position by any party route. I have said over and over that my mother is Turkish and my

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father is Albanian, that Turkish is the family language and that my children have Macedonian as their language of instruction in school." In response to our question as to how Judge Kranli feels about the Albanians not recognizing him as their representative on the Court, he said: "Honestly, I do not know how I feel. Let public opinion have its say about this."

On the other hand, Judge Kranli has had 27 years of experience on the Resnja communal court and two terms as president of the court. Kranli added: "Without considering how public opinion will judge me, my main principle in ruling on cases will be justice and only justice." The three Albanian judges will also be guided by this principle and by impartiality and objectivity in making decisions. The Albanian judges and their colleague Sabit Kranli communicate in the Albanian language and feel like Albanian judges. We talked to the judge from Resnja both in Albanian and in Macedonian.

Irrespective of the positive or negative reactions of public opinion during the entire process of setting up the Supreme Court of Macedonia, the ethnic Albanians have, for the first time, three judges on this Court. Regardless of the feelings of satisfaction or dissatisfaction, the confidence of ethnic Albanian citizens in the new makeup of the Supreme Court has undoubtedly increased. For this increased confidence in the highest organ of justice, the Albanians should thank the democratic winds which are blowing and the involvement of the Albanian political subject, especially the PDP.

[Box, p 8]

"We Are in Favor of the Restoration of the Death Penalty"

We asked four judges of the Supreme Court of Macedonia, Zeqir Selimi, Faton Pacuku, Sabit Kranli, and Zyrap Limani what sentences should be given to persons who commit serious crimes. All of them believe that the current provisions which call for a maximum sentence of 20 years in prison are too lenient for such grievous crimes. They said: "We are in favor of the restoration of the death penalty because such a sentence would also help to prevent crime. However, in order to restore the death penalty, the Constitution of Macedonia, which prohibits this, would have to be amended."

[Box, p 8]

The PDP Is Satisfied/Dissatisfied

At the headquarters of the PDP, we sought an opinion on the establishment of the Supreme Court of Macedonia. [passage omitted] The response was: "We are and we are not satisfied. We are satisfied because, for the first time, Albanians have three representatives on the Supreme Court, but we are dissatisfied because this number is not large enough." In response to the question as to whether there is any other agreement regarding the representation of Albanians on the appellate courts and the lower courts which will be set up soon, we were told that there is no agreement yet, but this is under consideration.

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Kwasniewski Broadcasts New Year Address

LD3112202895 Warsaw TV Polonia Network in Polish 1900 GMT 31 Dec 95

[New Year's address by Polish President Aleksander Kwasniewski in Warsaw on 31 December—live or recorded]

[FBIS Translated Text] Good evening, ladies and gentlemen. An important and difficult year is ending. There are many causes for satisfaction. The year that is ending was a successful one for Poland and for Poles. The state of the economy improved, prices rose much more slowly than in previous years. Confidence in our national currency is growing. Trade turnovers with abroad were the highest in our history, investments the greatest for 15 years. The indicators, although good, sound dry and do not always convey the state of household budgets. One figure is very concrete for over a quarter of a million people: In the year that is ending, they found new places of work. The continuing economic growth is ever more manifest. I know, however, that the circle of families taking advantage of the economic success of the country is still not sufficiently wide. Much poverty, powerlessness, and a lack of perspectives are still frequently met. We cannot pass alongside this with indifference.

This was a difficult year. A political campaign, which by the nature of things is a confrontation of programs and people and calls forth strong emotions, lasted for many months. This year nonetheless demonstrated that, despite the difficulties, Polish democracy is becoming ever more stable, society more active and mature. Simultaneously, the events of recent weeks have meant that the country is full of pain. Many of you feel tiredness and often disgust with the disputes of politicians, conflicts and the words of harsh accusations. The creation of a democratic state of law requires time and consistency. We are going through a difficult test. It is necessary to do everything for the accusations to be clarified, unbiasedly and in accordance with legal and parliamentary procedures. A democratic state cannot signify either the blurring of problems and an escape from responsibility or the unpunished casting of slander, the destruction of people through lying accusations. Only in such a way can we come out of this trial stronger, assure the clarity of principles, and build the prestige of Poland.

Ladies and gentlemen, the New Year is above all a great opportunity. There are many challenges. And I believe that we will be able to cope with them. Poland needs a new constitution, one that will strengthen the guarantees for civic rights and freedoms, self-government, and enterprise, which will increase the effectiveness of state structures. The adoption of a basic law by the National Assembly, and next in a constitutional referendum, may become the most important event of the coming year and a breakthrough in the construction of a democratic state of law.

In 1996, the rapid rate of economic growth must be maintained. Thanks to it, new jobs will be created. It is high time for two important reforms: of the pension system and the public-health service. They must be enacted in such a way as not to lower the Poles' standard of living. They must not be a source of fear for millions of employees. They must give people a greater sense of security and dignity.

Esteemed ladies and gentlemen! Our country's economic growth and political stability are a reliable basis and mandate for Poland's entry to the EU and NATO. We have friendly neighbors, open borders; our participation in European and Atlantic integration is not directed against anybody. We are developing bilateral and friendly relations with all states of the East and the West. The international situation, never before as good, must be utilized properly. This is a chance that must not be lost. It should become a joint patriotic aim. I am counting on the cooperation of all political forces in the name of raison d'etat, in the name of state interests, of our responsibility to the young generation.

Esteemed ladies and gentlemen! Today, more than on any other day, we have the right to dream. I dream that the new year may be for all of us, here in Poland and throughout the whole world and also where Polish soldiers are carrying out their missions, a time of peace and development. I dream that we may be able to be more open and kind toward one another; that the new year may give Polish families, all the inhabitants of Poland, and my fellow countrymen abroad spiritual equilibrium, hope, and satisfaction; that it may bring happiness and prosperity in your homes. I believe that these are not only my dreams. I will do everything to make as many of them as possible come true. The year 1996 is our year of opportunity. Let us grasp it together for Poland.

Foreign, Interior Ministers Appointed

LD2912195195 Warsaw TV Polonia Network in Polish 1830 GMT 29 Dec 95

[FBIS Translated Excerpt] President Aleksander Kwasniewski has given appointment documents to Jerzy Konieczny for minister of internal affairs and Dariusz Rosati for minister of foreign affairs. Stanislaw Dobrzanski will most probably become minister of national defense. Aleksander Kwasniewski said that the head of the State Protection Office [UOP], Gromoslaw Czempinski, would undoubtedly remain in his post: he

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had put himself at the prime minister's disposal after the presidential elections. The president thinks a change in the post of head of UOP would not serve the continuity of action of state bodies. [passage omitted]

[Unidentified correspondent] The president also said that he had had a meeting today with the head of UOP, Gromoslaw Czempinski.

[Begin recording] [Correspondent] Do you think a change in the post of the head of UOP is necessary?

[Kwasniewski] No, and that is a declaration by both the prime minister and me, and also... [pauses] You will ask the new interior minister, but I think that, so as to ensure a certain objectivity and o there is no suspicions of any kind, UOP should not be subject to any cadre decisions at the moment. [end recording]

[Correspondent] After the appointments, the president, the prime minister, and the new ministers went to Aleksander Kwasniewski's office for the next in today's series of talks.

Foreign Minister on Aims of Foreign Policy

LD3012141695 Warsaw PAP in Polish
1304 GMT 30 Dec 95

[FBIS Translated Text] Warsaw, 30 Dec—There is a far-reaching coincidence of views in Poland on the aims of Polish foreign policy, feels Dariusz Rosati, the new foreign minister. "Even those political options that struggle against each other agree with this. I think this will make life easier for the minister of foreign affairs," said Rosati, who officially took office on Saturday.

He stressed that the priorities of Polish foreign policy—entry into the EU and NATO—have remained unchanged since they were formulated in 1989. He feels the maintenance of good relations with all our neighbors to be equally important—in the East, to the South, and in the West. "This is also the basis for internal calm," he stressed. He announced that Polish foreign policy will concentrate precisely on these areas and that he himself intends to continue in the directions set by his predecessors.

The new head of the Ministry of Foreign Affairs said that he would like 1996 to be the year in which Poland makes "a further big step on the road to Europe." "Perhaps we will succeed in joining the Organization for Economic Cooperation and Development in 1996, which would be witness to the fact that Poland is a country that does not differ qualitatively from the countries of West Europe. I think that the unity of views on the aims of foreign policy will make life easier for us in 1996, so that we will be able to really move a long way along the road to Western structures," he added.

Candidate for Interior Minister Comments on Post

LD2912174295 Warsaw PAP in Polish
1642 GMT 29 Dec 95

[FBIS Translated Text] Warsaw, 29 Dec—Professor Jerzy Konieczny, candidate for the post of minister of internal affairs, said today in an interview for Warsaw Third Program Radio Network, that he had accepted an offer to take on this post because he feels that "if the constitutional bodies of the state have trust in my knowledge and abilities, I should not refuse."

"The security of the state is indivisible; Poland is indivisible," Konieczny said.

Asked what he intended to do in the Ministry of Internal Affairs, Konieczny said "there is a lot of work there." He announced that in the first instance he intends to familiarize himself with the materials on accusations against the prime minister. He stressed that upon the head of the Ministry of Internal Affairs rests the obligation to continue this case, and he declared that he would be fully objective.

He also mentioned "the enormous quantity of pressing issues," stressing that, on the one hand, no one is pleased with the level of security and that, on the other, a series of legal acts are awaiting revision or preparation.

He acknowledged the reform of the Ministry of Internal Affairs to be a matter that is unavoidable in the longer term. He stated that the rather too extensive range of activities of the ministry might have an unfavorable influence upon the situation in the country.

Newly Appointed Deputy Interior Minister Profiled

WS0201112796 Warsaw GAZETA WYBORCZA in Polish 2 Jan 96 p 3

[Article by "JACH": "Anklewicz Replaces Jasik; Oleksy's Man at the MSW"]

[FBIS Translated Text] *Prime Minister Jozef Oleksy appointed one of his most trusted men, Andrzej Anklewicz, to the post of deputy interior minister on 30 December.*

Anklewicz, formerly a high-ranking Security Service [SB] and counterintelligence officer, has been the prime minister's secretary and head of his advisory committee since the spring of 1995. He has replaced General Henryk Jasik, who was dismissed over a week ago for his involvement in the operation that led to the unearthing of materials proving the prime minister's collaboration with the Russian intelligence services.

At the Ministry of Internal Affairs, [Deputy] Minister Jasik was responsible for, among other things, the police.

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Andrzej Anklewicz is 42. In the years 1972-76, he studied political science at Warsaw University, where together with Zbigniew Siemiatkowski (current press spokesman of the Democratic Left Alliance) and Grzegorz Rydlewski (current secretary of the Council of Ministers) he headed the communist student's party organization. In 1977 he worked for the Warsaw headquarters of the Citizens Militia. "The university paid assistant professors 2,700 zlotys [Z], whereas the SB offered more than Z5,500 a month," said Anklewicz in an interview for the POLITYKA weekly.

He has been working at the MSW since 1982. He surveilled the opposition groupings, primarily the Confederation for an Independent Poland.

He was promoted to Interior Minister General Czeslaw Kiszczak's cabinet. Four years later, he went on to head the Propaganda and Press Department of the Political and Educational Board at the MSW. The newly formed department was to supervise the ideological purity of MSW officers.

In 1989, during the Round Table talks, he went on to work for a special division of the Central Committee of the Polish United Workers Party [PZPR], which was responsible for contacts with the MSW. He remained a PZPR member until the party dissolved.

He returned to General Kiszczak's cabinet, where as deputy head of the minister's office he was responsible for contacts with the parliament and the government. In 1990 he was positively verified and employed by the Office of State Protection [UOP].

He stayed on at the minister's cabinet as the ministers changed, until Andrzej Milczanowski came to office. He also was secretary of the interior minister's Committee of Political Advisers.

For one year he was deputy commander of the Border Guards.

He is a colonel. All this time he has been a staff officer of the UOP counterintelligence services.

Since April 1995, he has been closely cooperating with the prime minister. Oleksy was irked when he was asked last May why he had chosen a former SB officer to head his advisory committee: "You are looking for a pretext to leer. I did not look into his past. Had I known what it was, I probably would have made a different decision."

Anklewicz is married and has one child.

Daily on Appointments to President's Chancellery

WS0201113796 Warsaw GAZETA SWIATECZNA in Polish 30 Dec 95 -1 Jan 96 p 3

[Report by "AN": "Fewer Posts at President's"]

[FBIS Translated Text] Discussions on appointments in the President's Chancellery are still under way. As we have found out, there will not be any ministers of state any longer; there will be only two secretaries of state—Chancellery head Danuta Waniek and Presidential Office head Marek Ungier.

Aleksander Kwasniewski wants only five or six under secretaries. Yesterday in the Presidential Palace we saw Krzysztof Janik (deputy of the Democratic Left Alliance—SLD) and Wojciech Lamentowicz (former deputy of the Union of Labor, expelled from its leadership and suspended as the party's member for supporting the candidacy of Aleksander Kwasniewski in the second round of the elections, which was against the party's official stand). There also is talk of Andrzej Majkowski (he started his career in the apparatus of the Union of Socialist Youth in late 1960's; until 1992 he was director of the Asia and Oceania Department in the Foreign Affairs Ministry).

SLD Deputy Zbigniew Siemiatkowski is unofficially listed among candidates for the head of the National Security Office. Another contender is Jerzy Milewski, until recently the SLD candidate for the head of the National Defense Ministry, who was rejected by the peasants [Polish Peasant Party]. "Talks with Milewski were advanced indeed. We just cannot abandon him now," we learned from a member of the president's entourage.

Marek Siwiec will probably head the team of the president's advisers and be a kind of press spokesman. The Press Office also will be subordinated to him. He will have to resign his membership in the National Council of Radio and Television.

Personnel Changes in Justice Ministry Viewed

WS0201114996 Warsaw RZECZPOSPOLITA in Polish 30 Dec 95 -1 Jan 96 p 1

[Article by J.O.: "Reshuffles in Justice Ministry"]

[FBIS Translated Text] *In the immediate future, a considerable number of personnel changes are to be made in the Justice Ministry, we have found out in parliamentary circles. Professor Adam Zielinski, who came to the ministry along with [former Justice Minister] Wlodzimierz Cimoszewicz, will, at his own request, cease to be secretary of state. Earlier, Zielinski was the president of*

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the Chief Administrative Court, which he left following a conflict with President Walesa.

Zielinski is to be replaced by Grzegorz Ciecierski, who has so far been an under secretary of state. For many years he was a legal adviser, an activist of the Polish Lawyers Association. He is politically linked to the Polish Peasant Party [PSL]. Thus, because he would be second in command after the minister, signals saying there is the possibility of Jerzy Jaskernia's being replaced by PSL deputy Aleksander Bentkowski are no longer valid. Bentkowski headed the Justice Ministry in the Mazowiecki cabinet and now chairs the Sejm Commission of Justice and Human Rights.

Ciecierski, who is the head of the economic section of the Justice Ministry, is to be replaced by the head of a similar department in the Ministry of Health and Social Welfare.

There also is talk that it is possible that Boguslaw Dauter, who has been an under secretary of state for a rather short time, may tender his resignation. Dauter is responsible for judicial issues; earlier he was president of the Voivodship Court of Law in Siedlce. According to our informer, Personnel Department head Andrzej Kuba is to return to the Chief Administrative Court, where he has held a judgeship.

Chaplain To Continue Working for Kwasniewski

LD2912195895 Warsaw Polskie Radio First Program Network in Polish 1900 GMT 29 Dec 95

[FBIS Translated Text] President Aleksander Kwasniewski has met with Lieutenant Colonel Father Tadeusz Dlubacz, the chaplain attached to the presidential office. The subject of their conversation was the work of the chaplain after the assumption of office by the new head of state. The Catholic Information Agency has discovered that Father Dlubacz will continue to serve without change, as during the presidency of Lech Walesa.

Reportage on Oleksy Espionage Charges

Justice Minister Interviewed

WS2912154395 Poznan WPROST in Polish 31 Dec 95 p 20

[Interview with Polish Justice Minister and Prosecutor General Jerzy Jaskiernia by Jerzy Slawomir Mac; place and date not given: "Solidarity"]

[FBIS Translated Text] [Mac] Have you seen the documents incriminating Prime Minister Jozef Oleksy that have been submitted to the Supreme Military Prosecutor's Office?

[Jaskiernia] As much as it was necessary within my duties. I did not ask to see those documents because I did not want to give the impression I was trying to impede the procedures launched by the prosecutor's office.

[Mac] Do the contents of those documents justify the expression "a threat to state security"?

[Jaskiernia] I agree with the government that there exists no such threat.

[Mac] The prime minister's alleged espionage is not a threat to state security? Well, then, what is?

[Jaskiernia] There are various types of allegations. It might be that a top state official is a secret agent of a foreign intelligence service and ample proof can be provided that his activities posed a danger to state security. We could then talk of a threat. Charges, however, should be formulated on the basis of veritable documents. None have been presented in Prime Minister Oleksy's case. If there was proof that state security was indeed in danger, it should have been presented immediately, regardless of whether there was an ongoing election campaign. One puts the state at risk by stalling for time under such circumstances.

[Mac] Will the prosecutor's office continue to supervise the case now that President Walesa and [Interior] Minister Milczanowski are gone?

[Jaskiernia] Of course. The expiration of Lech Walesa's term in office will have no impact on the proceedings whatsoever.

[Mac] Is the military prosecutor's office you supervise the adequate organ to head this case? Perhaps an extraordinary parliamentary commission with special investigative prerogatives should take over?

[Jaskiernia] The military prosecutor's office has to deal with this case because of its nature. This is a staple responsibility no one can relieve it of. A commission should, however, be established to investigate how the secret services handled the case. There are questions as to whether all of the rules were observed.

[Mac] Do you have Prime Minister Jozef Oleksy's tapped telephone conversations in mind when you say that?

[Jaskiernia] I do not know if they were tapped. In any case, I never permitted anyone to use such techniques.

[Mac] Perhaps your predecessor, Wlodzimierz Cimoszewicz, did?

[Jaskiernia] I never asked him, but I do know that he delegated the authority to do so to Stanislaw Iwanicki,

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the prosecutor general at the time. I have changed that: I personally review each application.

[Mac] Will you advise the prime minister to suspend his duties until he is cleared of the charges?

[Jaskiernia] That decision is entirely up to the prime minister. He is deeply convinced that nothing can stand in the way of the mission he has to fulfill.

[Mac] Minister Milczanowski presented the whole issue to the president-elect as early as 11 December. Why did Kwasniewski keep it a secret?

[Jaskiernia] The information was top secret. The president-elect could not publicize it. The interior minister decided who was to be informed.

[Mac] The Polish Peasant Party leaders are irritated because they were not told earlier. Does this not raise your fears as to the outcome of the second vote of no confidence in the justice minister?

[Jaskiernia] Each government and each minister must trust the parliamentary majority. I hope that as long as the Democratic Left Alliance-PSL coalition exists we will remain in solidarity and vote against the initiatives of the opposition.

Konieczny: Case To Get Priority

LD3012195995 Warsaw TV Polonia Network in Polish 1830 GMT 30 Dec 95

[FBIS Translated Excerpt] Professor Jerzy Konieczny has taken over the Interior Ministry [MSW]. The post was handed over to him by Deputy Prime Minister Aleksander Luczak, who is in direct charge of the MSW. Minister Koniecny acknowledged that his first priority will be to brief himself on the material concerning Prime Minister Jozef Oleksy's alleged collaboration with a foreign intelligence service.

Minister Konieczny said that the MSW had a bad organizational structure. He added that he had not yet considered the separation of the State Protection Office from the MSW. The minister recalled that work had been done three years ago on bills regarding a new State Protection Office. It was to have concerned itself primarily with counterintelligence. Besides that, the creation of a main intelligence office was also envisaged.

[Begin Koniecny recording] The concepts or the assessments in the ruling bodies of the state were varied. The work was terminated by a very firm position by President Walesa, who adjudged that all attempts of this kind eroded the responsibility for the security of the state. [end recording] [passage omitted]

Former KGB Gen: Charges Rubbish

LD3012183295 Warsaw PAP in Polish 1511 GMT 30 Dec 95

[By Zdzislaw Raczynski]

[FBIS Translated Excerpt] Moscow, 30 Dec—"Absolute rubbish, which runs counter to all the principles of logic and common sense," is what retired KGB General Vitaliy Pavlov called the accusations against Prime Minister Oleksy of collaborating with Soviet and Russian intelligence.

Pavlov, who was the KGB representative in Warsaw for 11 years toward the end of his 50-year career in intelligence and who left Warsaw in October 1984, said that "the name Oleksy was completely unknown to him during his stay in Poland."

"I heard the name for the first time in Moscow, when Oleksy became Sejm speaker. And please believe me, if any of my employees had talked in any serious way to Oleksy, let alone become his friend, I would have been told about it immediately," Pavlov said.

"Anyway, with no disrespect to the Polish prime minister, Oleksy did not hold a significant enough post to arouse our interest. At that time, he probably was not the party chief in any province, or I would have heard about it. And what would have been the sense in trying to get information from rank-and-file party members, when I was talking with Polish United Workers Party Politburo members and ministers? Interior Ministry reports, to which I had full and official access, said much more about the moods of society than any engineer or factory employee could tell me." [passage omitted]

"The whole Oleksy affair looks like a cunningly devised but clumsily executed internal political intrigue in Poland," Pavlov thinks. Pavlov is skeptical about the possibility of involvement by foreign special services in the intrigue. Pavlov rules out the participation of Russian intelligence for, as he said, "political and technical" reasons. [passage omitted]

Pavlov considers the Oleksy affair to be a campaign inspired by the opponents of the new President Kwasniewski, which, whatever the development of the political situation in Poland, regardless of whether Kwasniewski or Walesa won the elections, worked to the advantage of its organizers.

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Walesa Hopes To Integrate Opposition

WS2912131795 Warsaw RZECZPOSPOLITA in Polish 27 Dec 95 p 5

[Article by Piotr Adamowicz: "Thursday Dinners With Walesa"]

[FBIS Translated Excerpt] *Lech Walesa spent Christmas in Gdansk with his closest family. He did not watch the entire ceremony of Kwasniewski's swearing in on 23 December. At midnight he went to Mass at his parish church, rejecting Father Henryk Jankowski's invitation. He does not plan to make any public appearances over the next several days. On 3 January he is to come to Warsaw for talks with opposition politicians. "Thursday dinners" with Walesa are to be held regularly and serve the integration of the post-Solidarity camp.* [passage omitted]

"The first meeting will be devoted to current developments in the country. In the long range, these meetings are to integrate the post-Solidarity camp so as to create one electoral ticket for as many opposition parties as possible in the parliamentary elections in two years," [Andrzej Zakrzewski, former minister of state in the Presidential Chancellery, told RZECZPOSPOLITA].

The organizer of Walesa's meetings is [former Foreign Minister] Andrzej Olechowski, who is currently consulting the opposition leaders.

It still remains unknown where the Thursday dinners are to be held. The Lech Walesa Institute rooms are too small to accommodate all of the guests. They might be held in one of the Warsaw restaurants, possibly at the Bristol Hotel.

Before the inaugural meeting, experts from Walesa's Institute are to present the former president with analyses and forecasts on four subjects: the activities of the governing camp, the international situation in the context of Poland's integration into the European structures, state security, and the economy. Legal issues also are to be brought up, namely the constitution, the most important legislative initiatives, and the development of local self-governments.

The Warsaw visits will be concluded by news conferences for Polish and foreign reporters. The former president's colleagues claim that, apart from giving interviews, he should regularly meet with reporters. Big news conferences held on a regular basis should strengthen Walesa's image as an active politician and a patron of the opposition. "Lech Walesa should be given an opportunity to speak out on key issues for Poland and the Poles. He himself stressed that he wants to and will be a reviewer of the governing camp and Aleksander Kwasniewski," Andrzej Zakrzewski stated.

Deputy Minister on IMF Mission, Banks

WS2912142495 Warsaw NOWA EUROPA in Polish 28 Dec 95 p 15

[Interview with Polish Deputy Finance Minister Krzysztof Kalicki by Jacek Ramotowski; place and date not given: "Speeding Up the Reforms"]

[FBIS Translated Text] [Ramotowski] What do the prospects of cooperation with the IMF look like now that its mission has left Poland?

[Kalicki] Because we are not getting any loans from the IMF, we have agreed that executive criteria—that is, macroeconomic indexes that Poland would be obligated to meet—will not be set. The stand-by agreement, which was reached in the fall of 1994, is only a formal agreement. The last criteria were set for the first half of this year and they were satisfied. As a consequence, we agreed that twice a year we would host an IMF mission that would discuss with the government the directions of economic development. We also decided that after each visit the government would receive a memorandum evaluating the program being implemented and presenting IMF suggestions.

[Ramotowski] Why was Michael Deppler, deputy director of the IMF European Department, so very satisfied with the review that ended before Christmas?

[Kalicki] The mission decided that the 1995 results had surpassed earlier expectations. It did not expect that inflation would be so low in a situation where the inflow of foreign exchange was so high. The IMF did not have any reservations whatsoever regarding the macroeconomic policy for next year. It assessed very positively the plans of maintaining the budget deficit below 3 percent of the gross domestic product [GDP], as well as the plans of cutting inflation to 17 percent. The discussion focussed on one problem: What instruments should be used to make these plans realistic? For example, the IMF did not agree with a view presented by the National Bank of Poland [NBP], which said that, if economic growth were approximately 5.5 percent, inflation might be higher than 17 percent. The mission also pointed out that it would be particularly difficult to maintain stability in the first quarter of 1996, as a result of which the biggest budget deficit will be in this period. The organization also advised that, especially in this period, we try to get financing from sources other than the central bank—or even to get it from outside the banking system. On this issue, we are of the same mind with the NBP.

[Ramotowski] How did the IMF assess the exchange-rate policy?

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[Kalicki] It stressed the necessity for relative appreciation of the zloty due to the inflow of foreign exchange, which continues to be very high; it believes that conditions for lowering interest rates are good.

[Ramotowski] A document on the Polish economy is to be drawn up. The IMF Council will examine it on 12 January. What can we expect in this document?

[Kalicki] Such a document has already been prepared, and the IMF did not express any reservations about our economic situation; the mission that took place in December can only confirm this. Now, the document is a 47-page report that presents the very fast GDP growth, the radical inflation reduction, the improvement in the foreign-trade balance sheet, and, finally, the budget deficit, which was much smaller than was envisioned in the law. It also shows the output and retail sales growth.

In this document, the IMF expresses approval for maintaining the independence of the central bank; it also draws attention to the danger of short-term capital inflow due to the difference between interest rates and inflation. It also stresses the high cost of money sterilization [sterylizacja pieni. lza] and the consequent need for conducting a more flexible exchange-rate policy. However, the IMF appreciates the increase in domestic savings. According to the organization, it is very important to implement a reform of the social insurance plan, which would limit budget subsidies to these insurance prgrams and encourage people to save money. The IMF also recommends that we continue privatization.

[Ramotowski] Michael Deppler was not so enthusiastic when he spoke about the structural reforms, especially the privatization of banks, where he could see delays. What might speed up this process?

[Kalicki] In fact, this year the process has been speeded up: Two banks—the Krakow-based Bank Przemyslowo-Handlowy and Bank Gdanski—have been privatized. A team has been set up that will take care of the privatization of Powszechny Bank Kredytowy SA. Two options are being considered now: either selling a bloc of less than 50 percent of the shares to a strategic investor or selling more than that. At least several banks are interested in the latter option. It also will probably be possible to sell shares to domestic investors on the stock market.

[Ramotowski] Are you not afraid to sell more banks on the stock market, which seems to be satiated with them already?

[Kalicki] There should definitely be more industrial companies on the stock market, but we cannot do anything about the fact that we are selling relatively more banks.

[Ramotowski] When will decisions be made regarding privatization of groups of banks after their consolidation?

[Kalicki] This is not up to the Finance Ministry, but to the Office of the Council of Ministers [URM]. Perhaps URM will accept the proposal of earmarking 51 percent of the [banks'] shares to the project of creating pension and [social] insurance funds.

[Ramotowski] There is a law that says that those blocs of shares, even in privatized banks, that remain in the hands of the state will be able to be transferred to any other company by the finance minister. This law is being generally criticized; some people are talking about renationalization...

[Kalicki] The government has set the composition of the groups of banks. However, the law offers more options, so that other banks, such as PKO BP and BGK, will be able to take advantage of the restructuring process. We did not intend to include the remaining blocs of shares of the privatized banks in any project whatsoever.

[Ramotowski] What will happen to them?

[Kalicki] A plan is being worked out that envisions a bidding to buy the shares of Wielkopolski Bank Kredytowy SA and Bank Slaski SA; it may be a contest of financial offers. The shares will not be sold on the stock market; they will be sold to a serious investor, who will guarantee development of a given bank.

[Ramotowski] Thank you for the interview.

Daily Views Capital Privatization in 1995

WS0201141696 Warsaw RZECZPOSPOLITA in Polish 30 Dec 95 -1 Jan 96 p 11

[Article by Ada Kostrz-Kostecka: "Capital Privatization in 1995; Big Revenues, Worse Statistics"]

[FBIS Translated Text] The Privatization Ministry fulfilled the 1995 capital privatization revenue plan and even achieved a surplus in comparison to what was envisioned in the budget, even though it was still difficult on 29 December to specify how big this surplus is.

If we take into account the earlier sales of 23 companies, including Polmo Praszka, which was sold on 27 December, the revenues came to 1.7 billion zlotys [Z]. On Friday, 29 December, two more sale contracts were signed: the Aluminum Works in Konin (75 percent of the shares for Z74.4 million) and the Lublin Factory of Agricultural Machines (75 percent of the shares for Z10.5 million). As we have found out unofficially, the

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Mining Electronics Plant in Gliwice was planned to be sold on 30 December. It was also known that, although the Privatization Ministry first wanted to sell the Piast brewery in the last days of 1995, this transaction would not take place this year. It will probably be one of the first transactions of 1996—aside from Apena, which may be bought by a Polish investor. Piast is to be owned by a German investor.

Revenues from the sale of the Lublin Factory of Agricultural Machines were to be added to the 1995 budget. As we have found out, revenues from the privatization of the Aluminum Works in Konin will be included in the 1996 budget. It is not known where the Saturday transaction, if it actually took place, will be included; however, most probably it will be included in the 1996 account. One may hope, therefore, that the Privatization Ministry gave approximately Z1.71 billion to the budget in 1995. It is worth recalling that the 1995 budget envisioned only Z1.51 billion.

This sum, in nominal terms, is close to the value of the capital privatization revenues (excluding banks) in all the previous years when privatization processes were under way. Between the beginning of the privatization processes and the end of 1994, the budget received Z1.7994 billion (from the time the privatization law entered into force and the end of 1991, it was Z163.6 million, in 1992 Z323 million, in 1993 Z446.2 million, and in 1994 Z866.6 million).

The 1995 statistics, however, look much worse. In all, 25 companies (including the Konin Aluminum Works and the Lublin Factory of Agricultural Machines) were sold, which is fewer than the ministry planned to sell in 1995. As can be seen, large companies that yield big profits are harder to sell, and in these cases it also takes longer to prepare the transactions. In previous years, the statistics were far better: Twenty-seven companies were sold in 1990 and 1991; in 1992 it was 24 companies, in 1993 48, and in 1994 35.

The ministry was to launch a new method of privatization that was supposed to improve the 1995 statistics—bidding. Initially it was announced that the project would take off in late 1995. In line with the most recent announcements by the ministry, first bids are to be invited in the first quarter of 1996.

Government Projects To 'Enliven' Arms Industry

WS2912142695 Warsaw POLSKA ZBROJNA in Polish 28 Dec 95 pp 1-2

[Article by "(apw)": "The Future Model of the Polish Arms Industry"]

[FBIS Translated Text] *"Thus far, only the Ministry of National Defense allocated the meager funds it could afford on projects that were deemed as top priority for the government. This will finally change in 1996. As much as 65 million zlotys [Z] will be channeled through the Committee of Scientific Research to implement the Huzar and Loara government projects," members of the Polish Industrial Lobby [PLP] triumphantly announced at a news conference just before Christmas.*

The Loara project provides for the development of a self-propelled, autonomous air defense system. An artillery system is to be ready by 1999, and a missile system will be ready a year later. The Huzar project, which is to be implemented over a period of two years, consists of adapting the Sokol helicopter to perform strictly military tasks.

"To tell the truth, we are still lacking some Z15 million for both projects," said representatives of the Warsaw-based Rawar [radar plant] and the Transportation Equipment Plant in Swidnik. They stressed that they are "still counting on our Army in this respect."

It was emphasized that the implementation of these two strategic government projects, popularly known as SPR's, will provide employment for some 7,000-8,000 people, among others in Tarnow, Skarzysko-Kamienna, Gliwice, Swidnik, and Warsaw. Over a dozen scientific institutes will be incorporated in the consortia established especially for the purpose.

"These projects require the production of diverse assembly units, from tank-type undercarriages to electronic fittings; they will therefore enliven nearly the entire domestic arms industry," said the PLP representatives, adding that "the consortia will serve military as well as civilian needs."

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Both SPR's are extensive in character. They provide for all phases of production, from research, production, and development to marketing the product and providing technical services. Exports of the Loara unit alone will allow the recovery of nearly all of the costs.

The PLP once again spoke out in favor of "domestic production for the Army and limiting foreign technology to 15-20 percent." The lobby also claims that such proportions will allow the Armed Forces to operate regardless of the "changing political situation."

A majority of the lobbyists also supported a "target model" for the Polish arms industry. They want to have three or four more strategic government projects developed and the same type of consortia that were established for the needs of Loara and Huzar. They explained why the Goryl project (providing for a new generation tank) was not implemented. It calls for as much as Z60 million over the next five years. At the moment, this is utopian.

PLP coordinator Pawel Soroka also informed about the lobby's stance on the Iryda planes manufactured in Mielec. "We see it in the larger context of purchasing a modern combat fighter for our Air Force. That is why the Iryda project is so important. Our experience and achievements must not be squandered. Besides," stressed Pawel Soroka, "there is a real possibility of creating a base for the production of a Polish combat plane resembling the Kobra or Orkan. The PLP, as always, wants the interests of the Army, the industry and Polish state security policies to meet," the coordinator added.

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Moscow, Bucharest Officials View Basic Treaty

AU2912172995 Bucharest Radio Romania Network in Romanian 2025 GMT 29 Dec 95

[FBIS Translated Text] [Announcer] Some statements stir great press interest because their importance exceeds the limits of the moment. Such is the case of an assertion made by Grigoriy Karasin, director of the press and information department of the Russian Foreign Affairs Ministry, according to whom, quote, Russia assesses that the bilateral treaty with Romania may be concluded within the following months, unquote.

It seems, however, that this piece of information is somewhat contested, even in Moscow. Trying to sort out things both in Bucharest and in Moscow, our colleague Nicolae Dumitru conducted the following interviews.

[Dumitru] This morning we contacted Mr. Karasin on the phone and asked him to comment on his assertion. He kindly held the following conversation with us:

[Begin recording, Dumitru in Russian with superimposed Romanian translation] On what basis did you make that statement?

[Karasin in Russian with superimposed Romanian translation] On the friendship Russia feels for Romania.

[Dumitru] These are nice words, but do you really believe that such a step could be made before the presidential elections in Russia?

[Karasin] Such an accord presupposes that both sides should make steps to meet the other party.

[Dumitru] Does the Russian side pose any preconditions?

[Karasin] There are no such preconditions. The document is currently being elaborated. The stance of both parties is clear, but last efforts need to be made.

[Dumitru] What efforts?

[Karasin] Those in which we would reach an agreement over each and every formulation and then sign the accord.

[Dumitru] As far as I know, the Russian party considers as an obstacle Romania's request to include in the document certain statements on the Ribbentrop-Molotov treaty.

[Karasin] In connection with this issue, we have to work a mutually acceptable solution, because the formulations that Romania suggested are not satisfactory for us. But if Romania is not ready to give up that stance, I believe that we should approach this problem in a positive spirit. We must not begin pondering over what happens if.... We simply have to set out with the notion that we have to sign that treaty. There is will, on behalf of Russia, to sign the treaty with Romania. Therefore, Russia does not pose any precondition. The issue of the preconditions is a secondary one. What we need to do in this case is intensify the activity of elaborating the treaty, because as any other treaty, this one, too, has to be the fruit of both parties' work. And, as I already said, I believe that both sides have to make steps to meet the other one. As far as the Russian side is concerned, such steps will be made. [end recording]

[Dumitru] In the same context, we also approached Mr. Aleksandr Vladimirov, the chief of the Romanian section of the Russian Foreign Affairs Ministry, whom we asked to comment on his colleague's statement. We held a conversation from which we selected the following passage:

[Begin recording, Vladimirov in Russian with superimposed Romanian translation] As far as I know, he granted an interview about a week ago. I do not know the contents of that discussion, but I do know that Mr. Karasin said that such a treaty will be signed within a certain time, some time. I do not know any concrete deadline. Perhaps our leadership knows more, although I believe that they would have informed us, in this section, too. For the time being we do not know about the appearance of any new elements in the negotiations on the treaty. Lately, we did have consultations on the treaty, but no new formulations have been made.

These talks, however, do not alter the essence of the problem. You are probably aware of the issues blocking progress, namely, the following thing: we believe that we should not burden the Romanian-Russian treaty with that thesis, whereas the Romanian side believes that reference should be made in the treaty to the Molotov-Ribbentrop treaty. This is the principle obstacle hindering us in concluding the treaty.

I think I could say it again and I authorize you to quote me: no new elements have appeared lately, but it should be emphasized that we wish the treaty with Romania to be signed as soon as possible, and therefore we have to find a treaty formula that is mutually acceptable. [end recording]

[Dumitru] We also wished to hear the opinion of Mr. Constantin Garbea, the Romanian ambassador to Moscow. After contacting him on the phone, we asked him to comment on the statements of the Russian diplomats, especially Grigoriy Karasin's statement.

[Begin Garbea recording] We could also say that we hope that the treaty will be signed next year, provided the Russian side will be more flexible regarding certain

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aspects we are interested in. Aside from that, we are ready any time.

[Dumitru] What exactly are those aspects?

[Garbea] It is our wish to confirm in a way that is valid and acceptable or is practiced in international right, the condemnation, on behalf of the Russian side, or, let me put it better, the correct interpretation, on behalf of the Russian side, of the 1939 Russian-German treaty.

The issue of the treaty is not a litigious problem between Romania and Russia, and neither is it an obstacle blocking the furthering of our relations. The negotiation of the treaty is no impediment in furthering our relations on all the other planes. But this means that the Russian Foreign Affairs Ministry now has a clearer will to accept a formula that would suit both sides.

It is also the political will of Romania to conclude this treaty, we are ready to conclude it any time, and we hope after this statement that the Russian Foreign Ministry will now accept a formula that also suits Romania, as well as both sides. [end recording]

[Dumitru] In Bucharest we called up Mr. Dumitru Ceausu, the head of the Juridical and Treaties Directorate of the Romanian Foreign Affairs Ministry, whom we also asked to comment on the statements of the Russian diplomats. This is what Director Ceausu told us:

[Begin Ceausu recording] I can confirm that the last round of negotiations we held dates back in 1994. It was in the month of October. Well, the text of the treaty is practically already agreed upon, at the level of the experts, of course.

The sole open thing is one or two paragraphs in the preamble, regarding the Ribbentrop-Molotov pact. If we manage to agree upon those two paragraphs as well, we might be able to sign the treaty any time, on the occasion of a top level visit.

[Dumitru] The Russian officials whom we contacted said that they are waiting for steps to be made by the Romanian side, the Romanian delegation, to meet theirs. Do you think that our side will make such steps?

[Ceausu] Of course, one needs to make steps to be able to meet someone. I believe that both sides are able to make such steps.

[Dumitru] Including the Russian one?

[Ceausu] Yes, of course. [end recording]

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Drnovsek Lists Achievements in New Year Address

AU2912212095 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 29 Dec 95

[FBIS Translated Text] A year that was at first glance rather stormy and unpredictable yet fruitful and successful is running out, Prime Minister Dr. Janez Drnovsek wrote in his New Year's message.

The year was marked by many important events that in one way or another shaped our everyday life and gave direction to our ambitions and activities. It was not an easy time for the government that is responsible for all vital functions of the state and simultaneously bound by the trust of its citizens. In the overheated and often tense political atmosphere, the government could have also lost its bearings and become stranded on the reefs of disagreements, differences, and intolerance. These fears did not materialize.

A sober look at the situation in individual departments shows undisputable achievements that meet with our joint wishes and aspirations. We are ending the economic year with unfailing dynamics of growth coupled with the nearly curbed and controlled inflation, with good prospects for further reduction of unemployment, which is linked to the painful but necessary restructuring of some economic branches, and completion of property transformation.

We are encouraged by the discovery that today, after five years, the citizens perceive their country with undiminished trust and that a substantial portion of them is already realizing their personal, professional, and vital interests with a sense of satisfaction. We must do everything to expand this crowd and make sure that nobody in this country for a moment feels shortchanged, discriminated, superfluous, or forgotten.

Esteemed fellow citizens, for the new year I wish you primarily happiness, good health, and optimism, as well as accomplishment of all desires and plans that perhaps went unfulfilled in the past year.

Central Bank on Alternative Debt Payment to FRY

AU0101204796 Ljubljana DELO in Slovene 21 Dec 95 p 3

[Article by Katarina Fidermuc: "Slovenia Should Also Protect Its Debtors to FRY Companies"]

[FBIS Translated Excerpt] Ljubljana, 20 December—The Bank of Slovenia (BS) usually informs us about its council's decisions through our news agency. However, on this occasion, before the end of the year, this task was undertaken by BS Governor France Arhar. He announced a new methodology for calculating the basic interest rate and a planned collection of data pertaining to plastic money. He also shattered all hopes that the Nova Gorica branch of Nova Kreditna Banka Maribor could operate as its daughter bank before the completion of the financial rehabilitation process. To the government the BS council suggested that it protect Slovene companies that are debtors to companies situated on the territory of FRY and the part of Bosnia-Herzegovina under Serbian control.

The BS council proposes to the government (as the BS itself is not incumbent for such things) that Slovenia open an account to which the Slovene companies would pay the money for the repayment of their debts to creditors in the above areas. "The BS's proposal is aimed at protecting debtors at various levels, primarily at the commercial level. In the event of various court cases that subjects from the territory under sanctions might instigate against Slovenia or in the case of certain procedures that are under way or have already been completed, the Slovene debtors would pay money to this account until the matters are resolved at the level of bilateral relations," Governor Arhar said. According to him, such a procedure would assure creditors from the above areas that "the rule of law is not under question" in Slovenia. However, it would let them know at the same time that Slovenia will not open any "one-way streets," on the principle "we will pay you even though the Slovene creditors have no similar assurances." [passage omitted]

Social Democrats on 'Decline' in Combat Readiness

AU2812214695 Ljubljana SLOVENEC in Slovene 14 Dec 95 p 3

[Article by Marjeta Smolnikar: "General Staff Employed for Limited Period Only"]

[FBIS Translated Text] Ljubljana—At the Tuesday session of the expert team of the Social Democratic Party of Slovenia [SDSS], Janez Jansa divided the present ministries into those that work routinely and those that do not work at all. In the latter category fall the Foreign Ministry headed by Zoran Thaler, the Economics Ministry lead by Maks Tajnikar (who has recently acquired the status of "an interpellee"), the Justice Ministry led by Meta Zupancic, who successfully weathered the crisis of interpellation, and the Ministry of Labor, Family, and Social Affairs led by Rina Klinar.

The Defense Ministry, where Defense Minister Jelko Kacin has been "ripe" for verification of his ministerial mandate for quite some time, undoubtledly falls in the category of ministries that apparently do the country more harm than good. Kacin's ill-fated "deputy," Franci Znidarsic, president of the defense expert council, indirectly criticized Jelko Kacin for a poor cadre policy

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that resulted in considerable decline in the Slovene Army's combat readiness. Allegedly, we are the only country in the world where the entire officer cadre, including its general staff, is employed for a limited period only. The development program TRP 1994-2003 is reportedly managed in a manner apparently mainly designed to spend as much money as possible rather than to purchase as much as possible for the Slovene Army. So far, all means have allegedly been purchased in defiance of existing combat capacities or at least the possibilities for securing them. The army aircraft reportedly is also doomed to the same fate. It was implied that companies in which the present government officials had been employed in the past enjoy preference in the import of hardware.

In Franci Znidarsic's opinion, the rescue amd defemse system is working relatively well, while the biggest problems and inconsistencies are encountered in the realm of logistics, disrespect for fundamental military norms and their adaptation to the Slovene territory. The decline is supposedly also evident in the intelligence-security service's work. The latter reportedly spends most of its time resolving ministry employees' porob-lems rather than the tasks by which it would be capable of detecting the start of military clashes in our neighborhood.

Lack of Direction in Security Doctrine Alleged

AU2912210595 Ljubljana DELO in Slovene 15 Dec 95 p 3

[Commentary by Vladimir Vodusek: "Identity Crisis"]

[FBIS Translated Text] The most gratifying topic of the "winter season"—and various reading and debate clubs and roundtable talks organized by the "independent" movements and parties—in the face of the crucial events in our direct vicinity is our state security. While the entire international public, so to speak, is preoccupied with war and peace in the Balkans, in Slovenia, apart from the usual analysts who lost their credibility due to their false prognoses in the past, we lack a serious debate on the national security strategy. The identity crisis has reached rock bottom since 1990, and the state is more and more turning into the tool and hostage of the internal political squabbles for "the enterprise Slovenia."

The most sensitive mechanism in the security system of any given nation and country is doubtlessly the army, which was also confirmed in the four-year Balkan war. Those not prepared for "the blackout" at the Balkan inn have suffered.

Soon after independence, the army and other state services became the fiefs of individual clans, which do not reflect the party division of the political power in the country but, in Italian style, resemble the almost nepotistic affiliations that are organized via big or small godfathers.

Acquiring fiefdoms and posts in the state services has become a legal practice, so to speak. What is most problematic is that, in the past four years, the country did not manage a serious consideration and analysis of the national security strategy, but rather everything only stopped at a sort of "resolution" that has long been surpassed by events.

The military doctrine, prepared by the Defense Ministry, is an isolated document that concentrates most on what the army is supposed to purchase over the next few years with the defense funds. However, we lack a defense doctrine, that is, a serious analysis of how the country would be organized and defended in the event of a threat.

We lack a careful consideration of our young state's economic, political, and security position, and all this, of course, is not only because of factional struggles in the parties. Relations with our neighbors—unresolved issues with Italy and Croatia, while Austria did not take advantage of them and internationalized the problems—are the most critical.

Of course, the question of defense and the army is not the only problematic one; there is also ill-regulated legislation pertaining to the security services. This has been abandoned to the visions of their current directors and prime ministers.

Slovenia lacks a clear national security direction and, as such, it is condemned to act from case to case, from party to party, from clan to clan, depending on who has been entrusted with the department in question.

Our last serious strategy was the independence project, which ensured relatively smooth recognition of our country. However, since it was constituted and fell into the hands of practical and pragmatic politicians and politicos, the country has been increasingly in crisis.

Defense, for example, was first entrusted to a man who is today the most powerful leader of an opposition party, but, in the opinion of another political elite, he subordinated the army to himself too much. What followed was a replacement, "a left turn" again, cadre permutations, interpellations....

The second big system is the police, which primarily acted as a counterbalance to the army. However, the ministers changed, and the duty chroniclers appeared to have again been unable to note all the "changes" in this system.

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The situation is the worst where the state institutions are still completely untouched—they have changed the plaques, but they retained all the privileges and an unchanged status. The Slovene politicians will very shortly have to embark on a serious debate on what its security strategy actually is. This definitely cannot depend solely on the army, but primarily on the diplomacy of alliances and, of course, the economic strength and prosperity of the country.

With tectonic shifts taking place very close to us and the convoys of U.S., that is, NATO troops crossing our territory after half a century, we are a sort of backwater of the Balkans also in a security sense. We are of absolutely no interest to anyone because we are not a crisis hotspot although our country is intersected by strategic political axes that could prove to be fatal, but which we could also easily affirm and use to our advantage.

However, we would first have to agree that the country cannot be used for day-to-day political purposes but should serve for the benefit of us all. Following a consensus on this, we could probably also debate such important issues as the security question.

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Federal

Prime Minister Kontic Views Prospects for 1996

AU3012211995 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 30 Dec 95

["Excerpts" from interview with FRY Prime Minister Radoje Kontic by Slavko Sepic, editor in chief of Radio Montenegro; place and date of interview not given—recorded]

[FBIS Translated Text] [Sepic] Another in the series of past few difficult years has come to an send. Mr. Prime Minister, could you please assess the political situation in the FRY?

[Kontic] The biggest aspect of the current moment is definitely the resolution of the Yugoslav crisis—to our great satisfaction, a peaceful one. I am delighted to emphasize that it was precisely the FRY and its delegation at the proximity talks in Ohio that made the biggest contribution to such an outcome. Thus, our efforts for a political resolution of all open issues in the Yugoslav crisis have finally borne fruit. With this the material destruction has ceased while numerous human lives have been spared.

The debate in the Federal Assembly showed that almost all the political parties and deputies support the peace plan and consider it to be the biggest diplomatic achievement of the past year. I am convinced that not only our citizens but the citizens of the Serb Republic, too, support peace. The readiness clearly expressed by the Serb Republic leadership to assist in the realization of the peace agreement supports this belief.

Parallel to initialing the Dayton accord, as you know, the sanctions against the FRY were also suspended. This was not only the ultimate defeat of the war option on these territories, but I would say that it contributes greatly to the further strengthening of peace and stability in the region. The suspension of sanctions and hopefully also their imminent abolition simultaneously facilitates our return into the international community, which is also an important aspect of the current political moment.

Peace and the suspension of sanctions on the domestic scene facilitate recovery of the economy, realization of the policy of economic stabilization, gradual increase in the standard of living, further development of [word indistinct] relations, strengthening of a law-governed state, cultural and scientific development of our country, and so on, to mention but a few.

[Sepic] How do you see the contributions of the republican governments and parliaments to the resolution of the issue of [words indistinct] federal state?

[Kontic] The Chamber of Citizens and the Chamber of Republics decide all issues that fall within the responsibility of the Federal Assembly, as you know full well, on completely equal footing. On the majority of issues they decide with a simple majority and on a small number of issues with a two-thirds majority. The equality of the republics is realized in the Chamber of Republics, which totals 20 deputies who were elected by the republican assemblies. Thanks to this, no decision can be passed without the consensus of the deputies from both republics.

[Sepic] In the more settled circumstances that will hopefully ensue after Dayton and Paris, how do you see our integration into the general economical, political, and cultural life of Europe and the world. We would specifically ask you for a projection of the political and economic cooperation with the neighboring countries, especially, the newly emerged countries in the Balkans.

[Kontic] You see, I would say that Yugoslavia is ascribing tremendous importance to regional cooperation, and as a part of it, also to Balkan cooperation. We see the development of comprehensive Balkan cooperation as the key precondition in the transformation of the Balkans into a zone of peace, stability, and prosperity. However, we also view Balkan cooperation and its boosting as a way of integration of our and other Balkan states into the more general European and international integration trends.

The achievement of this goal falls among the FRY's priority foreign affairs tasks. We are open to dialogue and cooperation with all Balkan and other countries, naturally, on the basis of equality and mutual interests. We, too, are ready for normalization of relations with the former Yugoslav republics, however, on the principle of the FRY's continuity with the former Yugoslavia and with [word indistinct] of the consequences that ensued after the secession of individual republics. You see, the economic cooperation between our and Macedonian enterprises is quite important. If I may say so, it was very much developed even in the times of sanctions. Slovenia officially turned to the federal government with a proposal to establish economic relations and cooperation. We have already signed an agreement on mutual use of the oil pipeline with Croatia, and the signing of new economic agreements is also on the horizon.

The free elections in Bosnia-Herzegovina in the middle of next year will actually create the conditions in which we will begin normalization of mutual relations and development of the economic relations with Bosnia-Herzegovina, too.

We believe that full prosperity of the region and the individual and common goals of all Balkan states can

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only be realized through mutual acknowledgement, linking, and solidarity. This is the only way in which Balkan countries can decide their fate freely and independently, which, simultaneously, is a precondition for the linking and cooperation with all other countries.

In the nearest future, I see the Balkans as a zone of peace and stability, that is, as a customs or perhaps even an economic union.

[Sepic] Which moves should be made first in the transition and privatization in the coming year?

[Kontic] I would say that we cannot create a competitive and effective economy—which is definitely the basic goal of our economic and development policy—without structural reforms and ownership transformation.

Luckily, we managed to avoid the traps of the so-called rapid privatization into which some East European countries fell; however, our misfortune is that in the period of sanctions—to an extent also for objective reasons—we stayed behind in the transition and transformation processes. For that reason the imperative goal of the economic development policy at the moment is to create conditions in which these processes will be accelerated. Here, we must fulfill at least three conditions: First, the objective of ownership transformation and restructuring must be the creation of an effective and competitive economy. Parallel to this we must, naturally, safeguard a sort of social justice. Finally, none of this matters if the entire process is not stimulating. How can it attract foreign capital if it does now create possibilities for making profit for foreign capital? Without this, foreign capital not only will not come to this area, but to any other area either. In this sense, to answer your question, I believe that we must first of all quickly pass the standard regulations which we currently lack. This involves the law on the bases of ownership transformation of the social capital, which is a responsibility of the federal government and the Federal Assembly. I can tell you that the law is in its final stage and I expect that it will be forwarded to the assembly at the beginning of January. I think that it could be passed in February.

[Sepic] You have mentioned foreign capital. Even before the introduction of sanctions we counted on fresh capital that would be a powerful drive to an effective and speedier transformation. The sanctions were lifted. Can we expect the influx of foreign capital—private and from international financial organizations—soon?

[Kontic] We can expect the influx of foreign capital by all means. I mean the interest of individuals and foreign corporations is truly great, not merely to invest into our economy but also in direct investments, concessions, and other forms of financial cooperation with our country. However, a more substantial influx of foreign capital can only be expected after normalization of relations with the IMF and the World Bank, as well as after signing an agreement with the proxies in the so-called Paris Club and London Club. However, we can and should count on some credits even beforehand. These would be given by foreign firms in exchange for importing spare parts and raw materials; these are the so-called commodity credits. We can expect to receive a portion of our assets in the foreign banks that have been blocked so far, we can also count on calling our credits abroad from the previous period, and we should not forget the transfer of foreign pensions and [word indistinct] of our workers. Attractive and lucrative projects will, despite everything, certainly find their financiers in the world in this phase and for that reason our businessmen really should not hesitate.

[Sepic] Since the introduction of sanctions some have warned that the time of economic isolation should be used for internal restructuring, for the introduction of international standards, in short, in preparation for appearing on the international market as an equal and competitive participant at the moment the sanctions would be lifted. Mr. Prime Minister, which industrial branches and activities can first be expected to profit on the foreign markets? Also, our businessmen most frequently cite the conditions of production as the main source of their problems. How do the measures from the recently adopted Program 2 influence these conditions?

[Kontic] First of all, let me emphasize that we wish to create an open business economy which would be exposed to foreign currency, that is, we would like to create a competitive economy that will secure the place on the markets, that is, under the sun by itself.

At the roots of this new concept of our economic policy and, I would also say, the development policy lies the liberalization of the system and the regime of economic relations with foreign countries, the policy of the dinar's convertibility, that is, a policy of sound currency, free formation of prices, earnings, and active and passive interest rates. Finally, an essential component of this concept is also a strict restraint of the budget, that is, financing the public expenditure exclusively from the real sources and to the level that the available means intended for this purpose allow.

President Lilic Delivers New Year's Message

LD2912174795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1301 GMT 29 Dec 95

[FBIS Translated Text] Belgrade, 29 December (TANJUG)—Zoran Lilic, president of the Federal Republic of Yugoslavia, said today that the just and

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durable policy of the Federal Republic of Yugoslavia [FRY] and the leaders of the republics had engendered full respect and satisfaction at Dayton and Paris, and that there is great joy amongst the citizens of our country at the fact that the Serb nation can celebrate the New Year holidays in peace.

President Lilic's New Year message reads:

"This year has brought long-expected peace to all the peoples in the former Yugoslavia.

"Over the past few years, even during occasions like New Year when everyone is supposed to be happy and celebrate, we had to prove that the FRY was conducting a policy aimed at peace and the equality of peoples who were in conflict. We also had to persist and hold out, in harmony and solidarity, against all the difficulties caused by the sanctions.

"Peace has certainly brought greatest respite to citizens of the war-torn [Bosnian] Serb Republic.

"In the FRY, although we preserved the greatest human value—peace—our citizens shared the suffering of their fellow nationals, and made every effort to help them, although they themselves faced no less difficult problems.

"The just and durable policy of the leaders of the FRY and the republics' engendered full respect and satisfaction in Dayton and later in Paris. The Yugoslav delegation at the peace negotiations, in the assessment of the whole of the international community, made a crucial contribution to their successful completion.

"The FRY is on the way to returning to all international organizations and institutions, where, playing a full role, it should again take the place which, objectively, belongs to it.

"In order for the peace agreement to be fully implemented, the FRY is prepared to cooperate, in the full sense of the word, with all factors of the international community which are guaranteeing this process. After all, for us peace was and is the aim and inspiration of our overall policy.

"For the citizens of the FRY it is a great relief and joy that the whole Serb nation can celebrate the New Year holidays in peace.

"Great and responsible tasks of economic renewal await us in 1996. Their realization will require of each and every one of us, individually and collectively, and especially of our leaders, a great deal of work, devotion to duty and social solidarity.

"We must make up for our past failings at an accelerated speed, overcome our technological backwardness and pave the way for a full economic and cultural upswing and inclusion in worldwide integration processes. We must fulfil all these tasks with a single fundamental objective: to increase the living standard of all citizens, improve living conditions for our most deprived social strata, and thus create conditions for life as befits the individual on the threshold of the 21st century.

"May 1996 bring personal and family happiness and business success to all FRY citizens," President Lilic's New Year message says.

Defense Minister Discusses Peace Policy, Security

LD2912160495 Belgrade TANJUG in English 1525 GMT 29 Dec 95

[FBIS Transcribed Text] Belgrade, Dec. 29 (TANJUG)—Yugoslav Defense Minister Pavle Bulatovic said on Friday that 'the victory of the peace policy in the territory of the former Yugoslavia has marked 1995 as a historic year.'

In an interview to TANJUG, Bulatovic said that 'peace was and remains our major interest.' He said that 'the real and material victory over the forces of war offers realistic prospects for the material and spiritual revival of our peoples and the country in general.'

Bulatovic said that the Yugoslav Army had 'carried out the tasks of preserving the country's sovereignty, territorial integrity, independence and constitutional order in extremely complex and hard conditions, and thus realized major successes in its combat development and transformation, while the entire defense system has significnatly contributed to the country's economic and social stability.'

'The establishing of a new security architecture in the world, and especially in Europe, binds us to take active part in this process through bilateral and multilateral military-economic and military-political cooperation,' Bulatovic said.

Bulatovic described the state budget for 1996 as restrictive and reflecting the Yugoslav economic possibilities. He recalled that seven percent of the social product and 73.3 percent of the federal budget have been earmarked for defense purposes.

Compared to 1995, defense funding from the social product has been cut by half a percent and by 2.5 percent in the federal budget. This is 301 million dinars (about 70 million dollars), Bulatovic said.

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Interior Minister Discusses Kosovo, Border Safety

LD2912234395 Belgrade TANJUG in English 2326 GMT 29 Dec 95

[FBIS Transcribed Text] Pristina, Yugoslavia, Dec 29 (TANJUG)—Yugoslavia's borders are safe and public law and order have been maintained, despite all the unfavourable circumstances, Yugoslav Interior Minister Vukasin Jokanovic said on Friday.

Jokanovic was speaking for the Saturday issue of the daily Jedinstvo, printed in Pristina, in the Serbian province of Kosovo-Metohija.

Jokanovic said that, in recent years, "forces from outside as well as from within the country" had been trying to draw the Federal Republic of Yugoslavia (Federation of Serbia and Montenegro) into war.

He added that the economic blockade of Yugoslavia, too, had been designed to "ruin Yugoslavia from within and jeopardise the very survival of the state."

"Peace in these lands, international guarantees for its implementation, normalisation of the situation, recognition of the legitimate rights of the Serbs in Bosnia-Herzegovina and Yugoslavia's strengthened international position give these forces no chance," he said.

"Separatist circles in the country will be neither able nor permitted to undermine the territorial integrity and security of Yugoslavia," he added.

Speaking about the political situation in Kosovo-Metohija, whose population is predominantly ethnic Albanian, Jokanovic said that security in this province, too, had been maintained in the past five years.

"Kosovo-Metohija is an inseparable part of Serbia under the Constitution, and this is a chief and lasting prerequisite for its full integration in Serbia and stabilisation of the situation in the region," he said.

"The 1989 constitutional amendments have, therefore, a historic importance," he added.

The Yugoslav Constitution of 1974 is definitely obsolete, and the relevant provisions in the Serbian Constitution set the necessary level of autonomy for Kosovo-Metohija above that defined by international standards, Jokanovic stressed.

Ethnic Albanian separatists, however, show no intention of abandoning their separatist aspirations, but constantly change and adjust their tactic and method of operation, avoiding conflicts, because they have seen the horrors of Bosnia-Herzegovina and Croatia.

"They do not want to sacrifice their predominantly young population, or their large properties and homes, which they have first built in any large numbers in these lands only in the last few decades," said Jokanovic.

"Therefore, they persist in setting up parallel bodies of power, schools and other institutions but, despite a well organised and highly paid propaganda campaign, their efforts have been without result," he added.

The international community has made it clear to their leaders that Kosovo-Metohija is part of Serbia and that all problems must be tackled within the parent republic, Jokanovic said.

"Ethnic Albanian separatists are, therefore, nervous, doing some quick re-examining and looking for a way out of the situation into which they have drawn their compatriots," he added.

Jokanovic said he was convinced that a vast majority of ethnic Albanians want peace and life in freedom and equality with the Serbs, Montenegrins and other citizens of the Federal Republic of Yugoslavia.

"This is the one thing that guarantees them a life in safety in these lands and prosperity," he said.

Army Announces Promotion of Generals

LD2912180895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1353 GMT 29 Dec 95

[FBIS Translated Text] Belgrade, 29 Dec (TANJUG)—In accordance with a Supreme Defense Council decision and an edict issued by the president of the Federal Republic of Yugoslavia, the following major generals have been promoted to lieutenant-colonel generals: Srboljub Trajkovic, Geza Farkas, and Radojica Kadijevic. This was announced by the information service of the Yugoslav Army's General Staff today.

The following colonels were promoted to major general: Branko Krga, Ilija Brankovic, Gradimir Zivanovic, Zivorad Vujcic, Miodrag Panic, Tripko Cecovic, Jagos Stevanovic, Tomislav Obradovic, and Branimir Milovanovic.

Colonel General Momcilo Perisic, chief of the General Staff of the Yugoslav Army, and colleagues today received the promoted generals, congratulated them on their promotion, and wished them success in carrying out their duties in units and institutions of the Yugoslav Army, the statement says.

Joulwan-Tudjman Talks on Srem-Baranja Reported

LD3012120995 Belgrade TANJUG in English 1134 GMT 30 Dec 95

[FBIS Transcribed Text] Belgrade, Dec 30 (TANJUG)—The supreme commander of NATO

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forces in Europe U.S. General George Joulwan Friday ruled out any direct U.S. military role in the Srem-Baranja region, where an international force for the implementation of the Serb-Croatian agreement on the region's status will be deployed.

Following a meeting with Croatian President Franjo Tudjman Friday in Zagreb, Joulwan told the press that NATO was ready to provide full logistic support to the planned U.N. peace force in Srem-Baranja, but would not send land troops there for the time being as they are engaged in the peace Implementation Force (IFOR) in neighboring Bosnia-Herzegovina.

This was also confirmed by U.S. Ambassador in Croatia Peter Galbraith who attended the meeting between Tudjman and Joulwan, Associated Press reports.

Joulwan said the talk had focused on the Srem-Baranja issue and pointed to the importance of normalizing the situation in the region.

The U.S. had actively mediated in negotiations on the agreement on Srem-Baranja signed on November 12 by Serb representatives in Erdut and by Croatian officials in Zagreb.

The Srem-Baranja region is the only remaining part of the Republic of Serb Krajina since the Zagreb regime launched aggressions last May and August on its western, northern and southern parts and cleansed them completely of Serbs, who had proclaimed their own state there at the end of 1991 after Croatia seceded by force from the former Yugoslav Federation.

Representatives of Croatia and of Serbs from the Srem-Baranja region signed last November 12 an agreement on a peaceful settlement of the crisis in this region, where U.N. peacekeepers will remain during a one-year transition period.

That period can be extended by another year if one of the parties requests it.

The special U.N. envoy for the former Yugoslavia Kofi Annan said Thursday that the operation of implementing peace in Bosnia-Herzegovina had pushed the Srem-Baranja region into the background, expressing fear that this region could become the scene of a fresh conflict due to the impatience of the Zagreb regime with the slow deployment of peacekeepers.

Joulwan however said he had no knowledge of Annan's objections.

No country has so far committed troops for the proposed contingent of 9,300 troops for peacekeeping mission in Srem-Baranja region, REUTERS recalls in a report from Zagreb.

Chance To Join Partnership for Peace Dismissed

AU3112210795 Belgrade NASA BORBA in Serbo-Croatian 28 Dec 95 p 6

[Commentary by Nikola Burzan: "Listen, Partnership!"]

[FBIS Translated Text] The propaganda machinery of the ruling "socialist and newly democratic coalition" these days is driving the people—who are disoriented and sober anyway—with an important and seemingly existential dilemma: Whether the Federal Republic of Yugoslavia should (or should not) join the Partnership for Peace.

What makes the situation even worse and more perfidious is that the whole thing is presented as if we were being asked and begged by the United States of America, which is the initiator and leader of the Partnership, and by the whole of the Western world, to join them, and we—we are hesitating and thinking the whole thing over, and even asking the people whether they are "for" or "against!"

If only it were like this! Unfortunately, the situation is completely different: Nobody is offering us, let alone begging us, to become (his) "partner." We—partners!? The way we are—an internationally unrecognized country, disorganized, unstable, undemocratic, economically destroyed—we cannot be anybody's partner. Not even a satellite of a partner.

Instead of thinking how and making efforts to return the Federal Republic of Yugoslavia to the United Nations, the OSCE [Organization for Security and Cooperation in Europe], and other international organizations and financial institutions, which is the basic prerequisite for everybody who wants to become a serious and equal partner, we are being offered a false, a fabricated, a nonexistent dilemma.

Although our current situation is miserable, because of everything that happened (to us), the megalomania of the present leadership and its partners does not seem to have dwindled and been replaced by truth yet, regardless of how brutal and painful it may be. If the injection of optimism and bright prospects into the nation are not part of the holiday atmosphere—which is also silly and irresponsible—the "dilemma" we are being offered is ridiculous!

The former Socialist Federal Republic of Yugoslavia was a respected and honored partner. Just like the former Soviet Union was the U.S.'s partner. This is pure illusion today—for both current Yugoslavia and Russia, unfortunately.

The earlier we realize and accept that cruel reality, the sooner we shall avoid many a new misunderstanding

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and illusion; we have enough of them anyway. We have lived for too long in illusions and have been nourished with false promises and conceited and unrealistic exaggerations of how powerful and capable we are, and how good our position is.

Regarding the Partnership for Peace, every reasonable and rational man from this area should not and dare not have any dilemma: If only we were accepted! Unless, of course, there are people who are considering a return to eastern communism, or, perhaps, to the Nonaligned Movement, turning their back to Europe forever, of which we are part and where we belong to.

Unfortunately, we are nobody's partner (at least not the way we are today, and this situation will last for some time), and nobody will ask us to join the Partnership for Peace. We are in the position to ask them and pray to God that they accept us. And you gentlemen, that is comrades, should not drive the people crazy with false dilemmas....

Yugoslav Left Expects To Enter Parliament

AU2912194395 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 29 Dec 95

[FBIS Translated Text] Yugoslav Left [JUL] Spokesman Aleksandar Vulin stated that the left will enter the Yugoslav parliament through the main door as the focus of the overall policy will shift from the national policy to the social, economic, and trade union policy. Those parties that fail to recognize this will stand no chance at the elections.

JUL is the mother party that pools all left-wing and progressive forces that believe that the general interest always comes above private interest. We seek our justification in the widest masses of society, with all people who are wiling to think with their own heads and use the new ideas to organize the country in a more beautiful, better, and fairer way, Vulin said.

Serbia

Milosevic Delivers New Year Address

AU2912184095 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 29 Dec 95

[New Year's address by Serbian President Slobodan Milosevic; place and date not given—recorded]

[FBIS Translated Text] Citizens of Serbia! I wish to congratulate you on the New Year that we are entering with justified optimism.

The year ahead should be better and more successful; in short, happier that the years we have left behind. This year, we accomplished the biggest shift that was in the interest of all nations and peoples on this territory, namely, peace was restored.

You all know very well that the definition of the three basic priorities of our policy over the past few years has been: Peace, economic development, and combatting crime. Peace has been achieved. With the end of the sanctions, economic development has been freed of limitations and obstacles, and we are now venturing into a merciless struggle against crime and the gray economy.

I expect the next year to be the year of the economic revival, increased employment, and an increase in the standard of living, which will also create the conditions for a successful and versatile cultural development. I am convinced that all residents of Serbia will make their contribution to the development of their country—in schools, in faculties, in factories, in the fields—everywhere where, through work, people can contribute toward our country being more successful, more developed, and happier for all its citizens and for all the people who live on this territory.

This will be the year in which a massive return of refugees to the territories from which they were removed by pressure and by the brutality of the war devastation will commence. I expect that the process of their return will become especially intense following the first free and democratic elections in the Serb Republic and the Muslim-Croat federation, which will create democratic institutions and normalize the situation in that region.

Our overall economic recovery and our overall development at the moment primarily lies in our hands. I am convinced that everyone in his job will do everything to give his maximum contribution to this development and the success of our country.

I wish you all a happy New Year!

Belgrade To Lift Embargo Against Bosnian Serbs

LD3112205695 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 31 Dec 95

[FBIS Translated Text] Prime Minister Rajko Kasagic has sent his New Year greetings to all the citizens of the Serb Republic. In his New Year message he said that next year would be difficult but that peace, freedom, and a degree of independence for the Serb Republic could be expected. In 1996 we can expect a lot of work, elections, and the resolution of the Serb question, Kasagic said. According to him the embargo along the River Drina should be lifted on 15 January and measures have already been carried out for economic

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cooperation with certain states on the territory of the former Yugoslavia.

Opposition Parties To Launch Daily in New Year

AU3112172895 Belgrade NASA BORBA in Serbo-Croatian 29 Dec 95 p 5

[Article by S.N.A. and M.M.: "Without a Suitable Name for the Time Being"]

[FBIS Translated Text] Opposition parties comprising the "parallel parliament" intend to launch a daily in the new year, NASA BORBA has learned from sources close to the presidents of the strongest parliamentary parties.

The paper will have four pages, and a circulation of 100,000 to 200,000 copies. The date the paper will appear in kiosks is still uncertain (as is the name of the paper), but, we have learned, everything is being done to see that this happens in January 1996.

The details of the opposition's role in daily journalism still need to be worked out between party heads. Representatives of the Serbian Radical Party, the Serbian Renewal Movement, the Democratic Party, and the Democratic Party of Serbia will meet immediately after the New Year to decide how to finance the paper and what sort of journalist team to task with its creation.

The Serbian opposition's basic intention in founding the daily is to have all information regarding the "parallel parliament" and the possible parallel government in one place, and also to overcome the existing information blockade. The paper would also include party announcements, reports from rallies and press conferences of both opposition and ruling parties.

The opposition paper is not intended to compete with existing publications, but as an additional source of information. Moreover, it would probably only be published during 1996, which is an election year.

Unofficial Source Predicts 1993-Style Inflation

AU3112195495 Belgrade NASA BORBA in Serbo-Croatian 26 Dec 95 p 6

[Commentary by Jasna Kesic: "Happy New 1993!"]

[FBIS Translated Text] Certain unofficial information claims that Dr. Dragoslav Avramovic will not be coming back to reclaim the hot seat of Yugoslav National Bank governor once he recovers. If this were to happen, the majority of ordinary people would be sorry to see jolly Grandad Avram withdraw, but at the same time, many others would breathe a sigh of relief because there would no longer be an obstacle between them and the mint at Topcider.

It cannot be denied that Mr. Avramovic sincerely tried to change something in our devastated socialist economy, both with the monetary policy he conducted and the economic programs he proposed. Whether these were always the best solutions is another matter, but the most important thing is that any solution would share the same, sorry fate of his Programs 1 and 2.

Like a Balkan Don Quixote, Dr. Avramovic has been fighting a losing battle for two years, but has finally realized that it is senseless to do so. Program 1, for which he often used to say that it was initiated by Milosevic, worked only a few months, after which those with monopoly on the market suddenly started increasing prices without any reason, and powerful Socialist Party of Serbia managers and bankers started engineering monetary shocks. The program collapsed.

Naively believing that the ruling establishment headed by Milosevic wants radical changes, the governor more than a year ago set up three working groups that were supposed to find a solution for many economic and social problems. Many distinguished experts were hired, a lot of effort, time, money, and paper was invested, and once the job was finished, everything was put ad acta and forever forgotten.

Not even that discouraged Professor Avramovic, he simply immersed himself in drafting Program 2. After it was finished toward the end of August, three months of conflict preceded its adoption; and once it was finally adopted, it was stillborn, because practically nothing was done in the two fields on which the program is based—liberalization of import and export, and import duty.

The proposed republican and federal budgets perhaps best illustrate the attitude of the ruling economic-political structure toward the program. According to certain economists, they will cause an inflation of 500 percent; moreover, the budget deficit of the former will reach $1.5 billion, while the latter will have a deficit between $5.5 and $6 billion dollars. This is a mine planted directly at the program's foundation.

After all this, perhaps it would be best if Dr. Avramovic, once he recovers, does not return to his position as the Central Bank director, because he can no longer help. His obligations will be taken over by deputy governor Bozidar Gazivoda, a man who likes to print money, and who three years ago—when he was in the same job—managed to print the highest inflation in the world. Now the economic and political circumstances are similar, pressure for printing money is enormous, and the same man is at the Yugoslav National Bank's helm.... Happy New Year 1993!

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Firm To Resume Production for Foreign Aircraft

AU0101211496 Belgrade POLITIKA in Serbo-Croatian 26 Dec 95 p 18

[Article by M. Sasic: "Utva Aircraft Company To Be Integrated Into the Lola Corporation"]

[FBIS Translated Text] Pancevo, 25 December—A study about the integration of the Pancevo aircraft factory into the Lola Corporation will be completed in January 1996. As we were told by Mr. Radivoje Milic, the manager of the Utva Vazduhoplovi [Utva Aircraft] Company, this was agreed on in a meeting at the republican Ministry of Industry, which was attended by the representatives of the governments of the Federal Republic of Yugoslavia and the region of Vojvodina, the Defense Ministry, the Federal and the Serbian Chamber of Commerce, the South Banat region, and the Communal Assembly of Pancevo.

The manager of the Utva Vazduhoplovi factory considers this a good solution, since Lola is a corporation that manufactures a broad spectrum of products. Apart from that, it has a research institute and agencies abroad as well as ambitions to develop the aircraft industry, which Utva's personnel are very much interested in.

Utva Vazduhoplovi has been confronted with a series of difficulties lately, the basic problem being the lack of capital for a new production cycle. A part of its workers have therefore been laid off for months already. Utva says that the only condition for integration with the corporation from Zeleznik is that the company be allowed to manufacture aircraft and their parts, which has been its basic business activity.

It is expected that the manufacturing of parts for passenger aircraft of the Boeing and Tupolev type—which was frozen under the sanctions—will be resumed soon. It is claimed in the only Yugoslav aircraft factory that the recovery would be much quicker if old debts were paid; some of the debtors are foreign companies.

"The merger with Lola would enable us," Mr. Radivoje Milic says, "to stop the emigration of our experts, which has been very intensive during the last several months, because of the difficult financial situation in our factory."

Trepca Mine, Swiss Partner Sign Deal

AU2912210995 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 29 Dec 95

[Report by Mirjana Jevtic]

[FBIS Translated Excerpt] Since the lifting of the sanctions against our country—in the last month, to be precise—Trepca mining-metallurgical combine has signed export agreements worth $128 million with foreign partners. These deals will be realized over the next two years via our foreign trade firms Jugometal and Generaleksport.

Trepca Director General Novak Bijelic signed another deal worth $34 million with the Swiss company Trafigura and Generaleksport today. The agreement entails imports of lead and zinc concentrate for further processing in the Trepca's industrial facilities. This will engage the free capacities while the processed alloys of lead, zinc, and silver will be purchased by the Swiss partner. [passage omitted]

Explosion Reported in Belgrade Apartment Building

LD0101132596 Belgrade TANJUG Domestic Service in Serbo-Croatian 0219 GMT 1 Jan 96

[FBIS Translated Text] Belgrade, 1 Jan (TANJUG)—Shortly after midnight last night an explosive device was activated in an apartment building in 172 Pozega Street in Banovo Brdo [Belgrade district]. There were no casualties, but considerable damage was caused, TANJUG has learned from the Belgrade police department.

Special police teams are on the site of the incident and they are investigating the reasons for the explosion.

Factory Fire Said To Cause 'Huge Damage'

LD0101142596 Belgrade TANJUG Domestic Service in Serbo-Croatian 1329 GMT 1 Jan 96

[FBIS Translated Excerpt] Kragujevac, 1 Jan (TANJUG)—Oskar Fodor, Serbian industry minister, reported that last night's fire in the Zastava car factory caused huge damage and it is very fortunate that there were no casualties.

Fodor inspected the site of the fire with Sobodan Babic, Serbian deputy prime minister, and later said that the government would adopt adequate measures to help repair the damage as early as Wednesday. [passage omitted]

According to initial assessments by Zastava experts, production should resume this month, but repair work will take some time due to the damage caused to the roof of the 10,000 square meter warehouse. Rubber material, such as trim panels, was destroyed in the fire but motors, gears, and suspension systems were spared.

It was very fortunate that the fire did not reach the paint shop and production lines. One of the reasons for this was the swift intervention by firemen from Kragujevac and 13 surrounding towns who arrived with 21 fire engines.

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Montenegro

President Bulatovic Hails 1995 as Year of Peace

LD3012130995 Belgrade TANJUG in English 1254 GMT 30 Dec 95

[FBIS Transcribed Text] Podgorica, Dec 30 (TANJUG)—The President of Montenegro Momir Bulatovic said Saturday he believed 1995 would go down in history as the year of peace, not only in the former Yugoslavia but throughout the world.

In his best wishes message to Montenegrin citizens on the occasion of New Year, Bulatovic said the war in the former Yugoslavia could not be stopped without a joint and decisive action of the entire international community, as was demonstrated by the recent peace conferences.

President Bulatovic was a member of the official delegation of the Federal Republic of Yugoslavia to the Dayton negotiations, which resulted in a peace agreement for Bosnia initialled on November 21 in Dayton and signed on December 14 in Paris.

Many countries have only now understood the reasons for war in the former Yugoslavia and have spared no effort to send troops for the latest and final peace mission, he said.

'Our duty is to help them, as their intentions are pure and noble, and this is why we must also forgive them for their mistakes, either towards us or others,' Bulatovic underlined.

Bulatovic urged the people in Montenegro and the entire Federal Republic of Yugoslavia to join efforts once again so that all tasks may be completed successfully and more easily.

With the lifting of sanctions everything will be better and easier, but nothing must be taken for granted, Bulatovic said in his New Year's message.

President Bulatovic Pardons 82 Prisoners

AU2912134195 Podgorica MONITOR in Serbo-Croatian 22 Dec 95 p 6

[Unattributed report: "Clemency for Political Prisoners"]

[FBIS Translated Excerpt] On the basis of Article 88 of the Montenegrin Constitution, republic President Momir Bulatovic on 18 December pardoned 82 individuals. Bulatovic stressed his "firm conviction" that the individuals in question had not been convicted because of their political beliefs, but were tried "for the deeds they committed and the consequences which did, or could have, ensued."

President Bulatovic explained his "goodwill gesture" with the altered situation following the signing of the peace accord in Dayton, since—Bulatovic said—this had resulted in new circumstances which "have objectively decreased the degree of danger to society caused by the planned or committed offenses." [passage omitted]

The trial in question is the trial against members of the Party of Democratic Action, against whom court proceedings were initiated on the basis of charges filed by the prosecutor in Bijelo Polje, No. 5/94 dated 21 July 1994.

President Bulatovic also pardoned a group of citizens from Cetinje who were on trial for "attacking the president of the republic," according to charges filed by the Cetinje prosecutor. [passage omitted]

President Bulatovic additionally pardoned a number of individuals who had "committed crimes based on their political, ideological, or religious beliefs." [passage omitted]

Article Considers Need for Independent Army

AU2912144395 Podgorica MONITOR in Serbo-Croatian 22 Dec 95 pp 11-13

[Article by Vladimir Jovanovic: "Who Will Defend Us?"]

[FBIS Translated Text] Momcilo Perisic, the top general of the so-called Yugoslav Army, recently stated that the army and the currency were the only "integral," still functioning forms of the federal state. The legal and political chaos in the rump Yugoslavia and the realistic lack of its viability perhaps support this statement. The army and the dinar were the only two things that also functioned in the Socialist Federative Republic of Yugoslavia just before it collapsed. Bora Jovic reminds us in his memoirs "The Last Days of the Socialist Federative Republic of Yugoslavia" that the role Yugoslav generals played during the dissolution of Yugoslavia corresponded to the political ambitions of Serbian politicians and that it used to be even more radical. Have things changed since that time?

The largest remaining part of the Yugoslav People's Army, which is still called the Yugoslav Army, thinks and takes decisions in the same way as was done in the ideologically tinged army, with the difference that a strong nationalist orientation has replaced the communist orientation. The foreign policy the Yugoslav Army has pursued during the last years included rhetorical opposition to the new architecture of the European security Partnership for Peace, collaboration with militant army circles of the Russian Federation armed forces,

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support for the Serbian armies in Croatia and Bosnia, and provoking tensions at the Macedonian border from time to time. Its internal policy, and this is what I am talking about, is to exert military and police pressure in Kosovo, to hold maneuvers at the border with Bosnia, whichs show its readiness to intervene militarily there if necessary (in October "combat readiness" maneuvers were also held at the border with eastern Slavonia), and finally, to permanently show its power to Montenegro, for two purposes—to encourage Montenegrin "profederal" forces and to frighten the supporters of national independence.

Broad Interpretation of Pressure

The so-called Yugoslav Army adopted new doctrines in June 1992. At the meeting of the highest-ranking military commanders of the General Staff on 9 June 1992 General Zivota Panic, speaking about the Yugoslav Army's aims had stated that "it was necessary to stop the pressure that was being exerted on the authorities in Montenegro that lead to secession," VOJSKA reported.

The "pressure" General Panic spoke about was interpreted in various ways: It was in any case connected with the concentration of NATO and European Community ships on the Montenegrin coast, but also with the gradual strengthening of the movement for independence, which had good prospects also under conditions of restricted stability. The events in Pljevlje, where the rebellion was actively supported by the army, showed the General Staff's clearly demonstrated intention to put that stability at stake at all costs if Montenegro, either within the ruling power or the opposition, developed in an undesirable direction, that is, if it endangered "the vital interests." These interests are above all the Montenegrin coast, which is the only undisputed Serbian corridor to the sea. The Navy was used for the protection of these interests. Its task was to militarize the coast and to let the people in Montenegro know that its presence—although it was clear to every layman that it was massive, inefficient, and theoretically absurd—was at the same time the guarantee that Serbian policy toward the Adriatic would be implemented.

Speculations About NATO

During the last few months this concept has been seriously endangered by the fissures created after the Serbian debacle on the fronts across the Drina River and by the approach of the Western alliance to the Serbian ramparts. The detachment and the aloofness of the greater-Serbian rhetorics are shallower that it was considered: There are already discussions about how to cooperate with NATO, whether to enter the Partnership for Peace, and it seems that public debate is on the rise. Knowing what was written, said, and done for the confrontation with the Western military alliance during the last several years, Serbia and its generals will be confronted with a difficult choice and dilemmas in future. Their basic idea can be condensed into the message that NATO is a hostile, anti-Serbian alliance, which supports the destruction of the national platform outside and inside Serbia.

The so-called Yugoslav Army also represents the ethnic Serbian heritage, which latently slows down or thwarts the attempts to reform the economy and the political system. Efforts are being made to retain the existing situation, especially in Kosovo, and parallel to this, there are hysterical requirements for the reintegration into normal international life. There are, however, almost two million Albanians in Kosovo who are excluded from legal institutions and live on a kind of reservation. Young Albanians are not joining the army that terrorizes their nationals. In 1990 Albanian recruits accounted for almost one-fourth of all recruits. If they decided to serve in the army now, 40 to 50 percent of the recruiting contingent of the so-called Yugoslav Army would be filled with Albanians, and that army would be neither Serbian nor Montenegrin, it would be Albanian!

It Stung Them to the Quick

Among other difficult issues, this is the fact that makes Kosovo the most dangerous hotbed. In such a constellation of powers and moods, the Liberal Alliance of Montenegro gave in one of its congress resolutions the so-called Yugoslav Army the name of "occupying." The rage and fury in Belgrade and in the official press in Podgorica showed that this stung them to the quick. An avalanche of public debate about a very sensitive issue has been set free.

The problem of whether there should be civilian control of the army in Montenegro was opened already during the attack on Dubrovnik, and these questions multiplied after the Pljevlja incident, after some generals in Podgorica threatened the supporters of independence, after very problematic personnel solutions in the Podgorica Corps and the Second Army were adopted, after the Valdanos scandal [not further specified], and similar things. The epilogue is dark—the civilian control of the army has in Montenegro been reduced to three to four personnel solutions introduced by Momir Bulatovic, a member of the Supreme Defense Council. They serve only personal prestige and are outside the political context. Nobody in Montenegro has information about what is the defense policy of our republic, who defines and carries it out, or who is responsible for it.

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The strategic determination of [Yugoslav Army] generals is not acceptable for the Montenegrin concept of defense. Their defense policy in Montenegro is revenge-seeking toward the neighboring countries, especially Croatia, and even Albania. It can be described as the wish to create "a military belt" in Montenegro, which is a danger to economic and political, that is the national interests of the Montenegrin state, since it is pushing it into the background of European integrations and prosperity.

On the other hand, the greater-Serbian character of the so-called Yugoslav Army is demonstrated to the dimension that humiliates Montenegrin recruits (every tenth recruit is a Montenegrin), and it creates an atmosphere in which Montenegrins do not want to serve.

Brainwashing

Political training, which is wrapped into discussions about morale, exclusively treats Serbian interests and cherishes the traditions of the Serbian army. All anniversaries of army divisions, services, or branches celebrate famous dates in the past of the Serbian army. One has the impression that the Montenegrin army has never existed. If it is mentioned, which happens more than rarely, only its cooperation with the Serbian army is stressed, it is represented as an army similar to a part of the Serbian army, usually an auxiliary part, of minor importance and value.

During the 12-month military service a sort of brainwashing is carried out, which some young Montenegrins who have already served in the army describe as a horrible nightmare.

The second problem related to recruits can be formulated as follows: "Where are they taken to?" The answer is usually Kosovo, the abyss of a looming war. Young Montenegrins are usually concentrated in the Leskovac and Pristina Corps of the Third Army (Nis), which covers that area, and the accent is on the barracks in the following towns: Raska, Pec, Djakovica, Pristina, Kursumlija, Leskovac, and Vranje. Montenegrin reservists are usually taken for exercises to the Pester Plateau, where they practice actions against Kosovo and Novi Pazar.

It is, in other words, clear that conscripts from Montenegro (reservists and recruits) as well as officers of Montenegrin nationality do not have their authentic interests. There is the intention to let them die, as in the actions against Dubrovnik, for foreign interests, under a foreign flag, foreign commanders, without any kind of importance or profit for Montenegro. This army does not have a Serbian-Montenegrin character, it is exclusively a Serbian army, its function is to carry out a wrong policy, which is in its core anti-Serbian.

At least four political parties in Montenegro (Liberal Alliance, Social Democratic Party, Montenegrin Federalist Movement, and the Montenegrin Party) have decided, and it is stated in their programs, to establish a Montenegrin army, but—for certain reasons—no importance has been attached to this issue so far. Naturally, the problem of the national armed force directly depends on the problem of Montenegro as a state. It has been forgotten that it was their army [the Serbian] that saved Montenegrin independence and was its protector through centuries.

It seems that Belgrade relied on that tradition, so that Branko Kostic dismissed the Montenegrin Territorial Defense in May 1992, which happened in inadmissible silence. Afterwards the Defense Ministry was abolished too. The press published the funny argument that Montenegro was not able to keep an army of its own! In the article entitled "The Theoretical Approach to the Assessment of the Armed Force Size," published at that time in VOJNO DELO (issue 92/6) it was stated: "For the defense of the territory of Montenegro it would be necessary to have armed forces that would absorb as much as 26.7 percent of the population, which makes the assumed state incapable of organizing its own defense."

Coming Out of History's Basement

As it can be seen, Montenegro is an "assumed state," and "incapable" of defending itself. This is what theoreticians of the so-called Yugoslav Army think. These arguments, humiliating in their spirit, are presented to the public through the typical phraseology. Can Montenegro defend itself, or is it really incapable, as is claimed?

It is not necessary to take into consideration the historical heritage in order to reply to this question. It is only natural that Montenegro is able to defend itself from any aggression with its own defense capabilities. Montenegro can keep a permanent army, it can organize the military training of recruits even with the present economic power, which can hardly become worse in the future. It has a developed logistics structure: Barracks, warehouses, training ground, and an excellent natural strategic position, since Montenegrin mountains could easily become an impregnable hornet's nest.

Armed forces of Montenegro—which would consist of professionals, within the national guard, and recruits in peace time (military service would last for six months at most)—would amount to approximately 1 percent of the total population, and they would be organized in three branches: Ground forces, the navy, that is, the coast guard and air-raid forces, and the air force. Within the scope of the regional cooperation with the

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Partnership for Peace, it would be acceptable to establish joint coordination bodies for special purposes with the Serbian army and the armies of other neighboring states, with the aim of holding joint maneuvers and cooperating.

A Montenegrin army would naturally reintroduce historical ranks and titles. Generals [pronunciation different from the Serbian], "sirdars," "divizijars" [division commanders], "vojvodas" [army commanders], or "barjaktars" [ensigns] would become persons of prestige and respect again, which is familiar to the Montenegrin soul, but not in the sense of the commentary recently published in POLITIKA. Symbols, badges, and war flags of the Montenegrin army, which are now displayed in the Cetinje museums and pushed into the background by the Serbian propaganda, would restore to Montenegro its pride and self-respect. Montenegro would not be hostile to any other nation, but it would the master in its own house.

To what extent is the story about the establishment of the armed forces of Montenegro realistic now?

We must wait to see how events unfold, but they will certainly offer certain possibilities. The Yugoslav Army will soon have to reduce its power by as much as 25 percent, and lots of problems will appear. Reduced finances also mean the demobilization of a large number of officers and noncommissioned officers, whose social position will be affected by the acute economic agony. Apart from that, they will be a new burden for the federal budget. The adaptation of the army [to the new circumstances], and the question of responsibility for crimes committed by its members in Yugoslav wars will be a painful process of exceptional complexity. The military aspects of the Dayton agreement can also be described as a control mechanism, which will first of all thoroughly change the internal role of the army in Serbia—it might even happen that it becomes the obstacle to coming closer to Europe. In this way Serbia will remain in economic collapse, and there will be no money for the army anyway. This means that it will lag behind its neighbors, which will become stronger, a deep technological gap will develop, and Serbia will—if it decides to take that way—become inferior from the military point of view. Every other way, which means cooperation with NATO, will lead to the weakening of the rigid Belgrade centralism, so that the "confederalist" position of Montenegro could become stronger, which will reach the army too. The establishment of an autonomous military command in Podgorica, under the control of the Montenegrin government and parliament will be of utmost importance for the process of democratization; a discussion about its own armed forces could arrive on the agenda then.

Kosovo

Rugova Asks U.S. To Maintain 'Leading Role'

AU3012193595 Tirana TVSH Television Network in Albanian 1735 GMT 30 Dec 95

[FBIS Translated Text] President of the Republic of Kosova Dr. Ibrahim Rugova highly appraised the commitment by the Democratic League of Kosova [LDK] branches in organizing the institutional life in Kosova during this year and in convincing the international public of our determination on the road of establishing the state of Kosova. For more details, here is a telephone report by correspondent Shaban Arifaj from Prishtina:

[Arifaj] At the beginning of the meeting, President Rugova expressed New Year greetings to the LDK branch chairmen and thanked them for the work carried out during 1995 in organizing the political life and in establishing and further strengthening the state institutions of the Republic of Kosova. The work you have accomplished and the great sacrifices of the Kosovar people under occupation, Rugova went on to say, have helped me and the people around me to convince the foreign public and the international institutions of our determination to set up a state in a peaceful way. That is what the peoples and the countries with the best traditions in nationality know, what it means to be under occupation. For this reason, they highly appraise our peaceful resistance and the political and state organization under these serious circumstances.

The Kosova Information Center reports that President Rugova briefed the LDK branch representatives on the meetings he held in the United States and Germany. Rugova added that he had urged the United States to maintain a leading role in resolving the Kosova issue. Rugova also stated that the U.S. top officials assured him that Kosova will be on the list to be resolved as an important issue in peace and stability in the region. During the talks held there, the German officials also granted such support, Rugova stressed.

Socialist Leader on National Minority Rights

LD3012152295 Belgrade TANJUG in English 1459 GMT 30 Dec 95

[FBIS Transcribed Text] Pristina, Dec 30 (TANJUG)—The president of the Kosovo and Metohija (Kosmet) provincial committee of the ruling Socialist Party of Serbia (SPS) Vojislav Zivkovic said the rights of national minorities in the province were completely in line with the Constitution and the laws of the Republic of Serbia.

In interviews to Radio Pristina and Turkish-language paper TAN Saturday, Zivkovic said minority rights

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in Serbia's southern province exceeded European and world standards on minority rights.

Only the Albanian minority refuses to exercise its constitutional rights, mainly as regards education, he pointed out.

Minority members comprise over 60 percent of public sector manpower, they have their own schools and press, and Serbian radio and television broadcast their programs daily in Albanian, Turkish and Romany languages, including a day-long Albanian language radio program.

As many as 30 papers and periodicals are published in Albanian language, publications are also issued in Turkish and since recently also in Romany language, Zivkovic said.

Albanian separatist leaders are misusing Albanian children and youth in an attempt to satanize Serbia in the eyes of the world, even though it was obvious in Dayton and Paris that Serbia and its President Slobodan Milosevic were advocating and consistently following a policy of peace and full equality of all Serbia's citizens, he underlined.

A separatist movement has been active for a decade among the majority Albanian population of Kosmet, with the aim of seceding from Serbia and joining with neighboring Albania.

SPS membership comprises several hundred young Albanians, Turks, and Romanies and this number grows daily, Zivkovic said.

Belgrade Police Hold 6 Albanians Under Arrest

AU3012210295 Zurich BOTA SOT in Albanian 28 Dec 95 p 3

[Report by the Kosova Information Center: "Six Albanians Held Under Arrest"]

[FBIS Translated Text] Prishtina, 27 Dec (QIK)—At about 1900 on 24 December, after the plane landed at Prishtina airport, the Serbian police arrested five Albanian workers, who are temporarily working abroad, and one child.

It is reported that the following have been arrested: Sadri Rexhepi from Tenezhdolli in Prishtina, Bedri Kafexholli, Valdet Kopriva, Rukmane Tahiri and her son Xhevdet Tahiri (child), as well as Nuhi Bujoshi.

Fatmir Dibrani, relative of Sadri Rexhepi, told the Kosova Information Center that Sadri Rexhepi had talked over the phone with him at about 0800 this morning. Rexhepi reported that he and the other persons were held at Prishtina airport until 1230 on Monday [25 December] and then the Serbian police transferred them to the Belgrade airport, where they are still being held under arrest.

Sadri Rexhepi is being held under arrest under the pretext of an exit visa, while the pretext for holding the other travelers under arrest is not known. Sadri Rexhepi also reported that other passengers have also been brutally maltreated by the Serbian police at Prishtina airport and that they are still being physically mistreated at the Belgrade airport now.

He stated that, due to the tortures, his health condition and that of the other passengers is serious.

Serbs Kill 77-Year-Old Ethnic Albanian in Pec

AU3012190895 Tirana TVSH Television Network in Albanian 1735 GMT 30 Dec 95

[FBIS Translated Text] At about 2300 on 28 December, the Serbian Army killed 77-year-old Sejdi Jashar Morina, a resident in Raushic village in this commune, near the barracks in Peje [Pec].

The Kosova Information Center reports that the police broke the news to the Morina family yesterday afternoon, but without giving any explanation as to the motives and circumstances under which the killing occurred.

Sejdi Jashar Morina is the 12th victim of the Serbian state terror in Kosova this year.

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